

AMENDED AND RESTATED CREDIT AGREEMENT

BETWEEN

**BAYLIN TECHNOLOGIES INC.
as Borrower**

AND

**ROYAL BANK OF CANADA
as Administrative Agent**

AND

**RBC CAPITAL MARKETS
as Lead Arranger and Sole Bookrunner**

AND

**THE FINANCIAL INSTITUTIONS
from time to time parties hereto,
as Lenders**

MADE AS OF

MAY 29, 2025

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AMENDED AND RESTATED CREDIT AGREEMENT

THIS AGREEMENT is made as of May 29, 2025

B E T W E E N :

BAYLIN TECHNOLOGIES INC., a corporation existing under the laws of the Province of Ontario (hereinafter referred to as the “**Borrower**”)

- and -

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

- and -

Each financial institution from time to time party to this Agreement and shown as a Lender on the signature pages hereto (hereinafter in such capacities individually referred to as a “**Lender**” and collectively in such capacities referred to as the “**Lenders**”)

WHEREAS the Agent, the Borrower, Royal Bank of Canada and HSBC Bank Canada 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, a ninth amendment to credit agreement dated May 2, 2023, a tenth amendment to credit agreement dated September 28, 2023, a waiver and eleventh amendment to credit agreement dated February 12, 2024, a twelfth amendment to credit agreement dated March 8, 2024, a thirteenth amendment to credit agreement dated June 5, 2024, a fourteenth amendment to credit agreement dated as of December 20, 2024, a fifteenth amendment to credit agreement dated February 27, 2025, a sixteenth amendment to credit agreement dated March 24, 2025 and a seventeenth amendment to credit agreement dated April 29, 2025 (collectively, the “**Existing Credit Agreement**”);

AND WHEREAS effective March 29, 2024, Royal Bank of Canada, HSBC Bank Canada, HSBC Trust Company (Canada), HSBC Mortgage Corporation (Canada) and HSBC Finance Mortgages Inc. amalgamated and continued as one bank under the name in English, “Royal Bank of Canada”;

AND WHEREAS the parties have agreed to amend and restate the Existing Credit Agreement on the terms and conditions hereinafter set forth;

AND WHEREAS Royal Bank of Canada will continue to be the Agent as contemplated by Section 14.01;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained the parties hereto agree as follows:

ARTICLE 1 – INTERPRETATION

1.01 Definitions

In this Agreement unless something in the subject matter or context is inconsistent therewith:

“**Account Holder**” has the meaning given to such term in the Advantech Litigation Agreement.

“**Acquisition**” shall mean, with respect to any Person, any purchase or other acquisition, regardless of how accomplished or effected (including any such purchase or other acquisition effected by way of amalgamation, merger, arrangement, business combination or other form of corporate reorganization or by way of purchase, lease or other acquisition arrangements), of (a) any other Person (including any purchase or acquisition of such number of the issued and outstanding securities of, or such portion of an Equity Interest in, such other Person) such that such other Person becomes a Subsidiary of the purchaser, (b) all or substantially all of the Property of any other Person, or (c) all or substantially all of any division, business, or operation or undertaking of any other Person as a going concern.

“**Additional Equity Financing**” shall mean any transaction or series of transactions under which one or more Persons acquires, purchases or otherwise effects any Investment in Equity Interests of an Obligor or enters into or is granted any right, option or agreement with respect to any such transaction, but shall not include any issuance of Equity Interests by an Obligor to any other Obligor or contribution of capital by one Obligor to another Obligor.

“**Administrative Questionnaire**” means an administrative questionnaire in a form supplied by the Agent.

“**Advance**” means a borrowing by the Borrower by way of a Prime Rate Advance, a US Base Rate Advance, or the issuance of a Letter of Credit by the Issuing Lender, and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Prime Rate Advances and US Base Rate Advances, whether as a result of a Drawdown or Conversion or deemed advance, plus the maximum amount payable under Letters of Credit.

“**Advantech Litigation**” means the litigation disclosed in Schedule 9.01(9) under the heading Advantech Acquisition.

“**Advantech Litigation Agreement**” means the agreement dated May 14, 2025 between the Royal Bank of Canada, the Account Holder and the Advantech Litigation Respondents, with respect to, *inter alia*, the Advantech Order, as amended, revised, replaced, supplemented or restated from time to time.

“**Advantech Litigation Respondents**” means, collectively, the Borrower, Advantech Wireless Technologies Inc. and Advantech Wireless Technologies (USA) Inc.

“**Advantech Order**” means the Order of Madam Justice Kimmel dated July 13, 2023, in respect of proceedings commenced in the Ontario Superior Court of Justice (Commercial List) bearing Court File No. CV-22-00689420-00CL in connection with the Advantech Litigation.

“**Affiliate**” means, with respect to a specified Person, another Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“**Agent**” means RBC in its capacity as administrative agent for the Lenders, including any successor agent pursuant to Section 14.07.

“**Agent’s Payment Branch**” means such office or branch of the Agent in Canada as the Agent may from time to time advise the Borrower and the Lenders in writing.

“**Aggregate Revolving Commitment**” means the aggregate Commitments of the Lenders under the Revolving Facility as may be reduced in accordance with Section 2.12 and/or increased in accordance with Section 2.14 from time to time. As of the Closing Date, the Aggregate Revolving Commitment is Cdn.\$15,000,000.

“**Agreement**” means this agreement, the schedules and all amendments made hereto in accordance with the provisions hereof, as amended, revised, replaced, supplemented or restated from time to time.

“**Alga Microwave Business**” means the manufacture and supply of RF and microwave solid state power amplifiers, pulsed amplifiers for radar applications, transmitter and transceiver products as well as RF passive components and systems, as it is carried on by Alga Microwave Inc., 7761058 Canada Inc. and 9174-0050 Quebec Inc.

“**AML Laws**” has the meaning set forth in Section 9.01(36).

“**Amortization and Depreciation Expense**” means, for any period with respect to any Person, depreciation, amortization, depletion and other like reductions to income of such Person for such period determined without duplication and on a consolidated basis in accordance with GAAP.

“**Annual Business Plan**” means the annual budget and operating plan of the Borrower, prepared on a consolidated basis, with (a) detailed financial projections and budgets on a month to month basis for the following Fiscal Year, in each case consisting of a balance sheet, statement of income, statement of cash flows and a detailed schedule of Capital Expenditures and (b) management discussion and analysis.

“**Anti-Corruption Laws**” has the meaning set forth in Section 9.01(37).

“**Applicable Law**” means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgment, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy,

practice, request, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case having the force of law.

“**Applicable Margin**” means, with respect to any Advance and the standby fees, from one Pricing Date to the next, the rates per annum determined in accordance with clauses (a) and (b) set forth below. For purposes hereof, the term “Pricing Date” means, for any Fiscal Quarter of the Borrower ending on or after the Closing Date, the fifth Business Day after the date on which the Agent receives the financial statements and Compliance Certificate for such Fiscal Quarter pursuant to Section 10.03 hereof. The Applicable Margin shall be established on a Pricing Date based on the Senior Debt to EBITDA Ratio as of the end of the most recently completed Fiscal Quarter or Fiscal Year, as applicable, and the Applicable Margin established on a Pricing Date shall remain in effect until the next Pricing Date. If the Borrower has not delivered its financial statements and Compliance Certificate by the date such financial statements and Compliance Certificate are required to be delivered under Section 10.03 hereof, until such financial statements and Compliance Certificate are delivered, the Applicable Margin shall, on the date five (5) Business Days after the date by which the Borrower was so required to provide such financial statements and Compliance Certificate, be set at the highest Applicable Margin (i.e., Level III shall apply). Each determination of the Applicable Margin made by the Agent in accordance with the foregoing shall be conclusive and binding on the Borrower and the Lenders if reasonably determined.

Level	Senior Debt to EBITDA Ratio	Prime Rate Margin and US Base Rate Margin	Letter of Credit Fee Rate	Standby Fee Rate
Level I	<1.75	1.50%	2.50%	0.50%
Level II	>1.75 & <2.75	1.75%	2.75%	0.55%
Level III	>2.75	2.50%	3.50%	0.70%

“**Applicable Order**” means any applicable domestic or foreign order, judgment, award or decree made by any court or Governmental Authority.

“**Arm’s Length**” has the meaning specified in the definition of “**Non-Arm’s Length**”.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an Eligible Assignee and accepted by the Agent, in substantially the form of Schedule G or any other form approved by the Agent.

“**Associate**” where used to indicate a relationship with any person or company means (a) any company of which such person or company beneficially owns, directly or indirectly, voting securities carrying more than 10 per cent of the voting rights attached to all voting securities of the company for the time being outstanding, (b) any partner of that person or company, (c) any trust

or estate in which such person or company has a substantial beneficial interest or as to which such person or company serves as trustee or in a similar capacity, (d) any relative of that person who resides in the same home as that person, (e) any person who resides in the same home as that person and to whom that person is married or with whom that person is living in a conjugal relationship outside marriage, or (f) any relative of a person mentioned in clause (e) who has the same home as that person.

“**Auditor**” means the Borrower’s auditor, being RSM Canada LLP, and includes its successors and any replacement auditor from time to time.

“**August 2021 Equity Issuance**” means the issuance of common shares and all associated warrants of the Borrower in the month of August 2021 for gross proceeds of not less than \$10,000,000.

“**Basel III**” means (i) the agreements on capital requirements, leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated; and (ii) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.

“**Bona Fide Debt Fund**” means any bona fide debt fund, investment vehicle, regulated banking entity or non-regulated lending entity that is primarily engaged in making, purchasing, holding or otherwise investing in commercial loans or bonds and/or similar extensions of credit in the ordinary course of business.

“**Borrower**” means Baylin Technologies Inc., an Ontario corporation, including its successors and assigns.

“**Borrower’s Counsel**” means the firm of Aird & Berlis LLP or such other firm or firms of legal counsel as the Borrower may from time to time designate.

“**Borrowing Base**” means an amount determined at such time as follows (without duplication):

- (i) 90% of Eligible Insured Accounts Receivables; plus
- (ii) 75% of Eligible Canadian/US Accounts Receivable; plus
- (iii) 50% of Eligible Inventory valued at the lower of cost and fair market value up to a maximum of 50% of the total Borrowing Base; less
- (iv) reasonable reserves established by the Lenders acting reasonably in respect to Potential Prior Ranking Claims,

as determined in accordance with the Borrowing Base Certificate.

“**Borrowing Base Certificate**” means a certificate substantially in the form of Schedule E, completed and delivered by the Borrower.

“**Business**” means (i) the design, manufacture, sale and supply of antenna solutions, including without limitation, an extensive portfolio of custom engineered solutions and leading edge off-the-shelf antenna products; (ii) the design, manufacture, sale and supply of satellite and wireless telecommunications products, with facilities and customers worldwide; (iii) the manufacture and supply of RF and microwave solid state power amplifiers, pulsed amplifiers for radar applications, transmitter and transceiver products as well as RF passive components and systems; and (iv) all business lines, products and functions ancillary or related to the foregoing.

“**Business Day**” means any day other than a Saturday or a Sunday on which banks generally are open for business in Toronto, Ontario and when used in respect of US Base Rate Advances, shall mean any day other than a Saturday or a Sunday on which banks generally are open for business in Toronto, Ontario and New York, New York.

“**Canadian Dollars**”, “**Cdn. Dollars**”, “**Cdn.\$**” and “**\$**” means the lawful money of Canada.

“**Canadian Guarantor**” means any Guarantor existing pursuant to the laws of Canada or any Province or territory thereof.

“**Canadian Pension Plan**” means any “pension plan” that is subject to the funding requirements of the *Pension Benefits Act* (Ontario) or applicable pension benefits legislation in any other Canadian jurisdiction and is applicable to employees resident in Canada of an Obligor excluding, for greater certainty the Canada Pension Plan and the Quebec Pension Plan.

“**Canadian Sanctions Law**” means *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), the *Freezing Assets of Corrupt Foreign Officials Act* (Canada) and the *Criminal Code* (Canada) and other similar Canadian laws imposing sanctions.

“**Canadian Welfare Plan**” means any medical, health, hospitalization, insurance or other employee benefit or welfare plan or arrangement applicable to employees resident in Canada of an Obligor.

“**Capital Expenditures**” means for any period, an amount equal to the aggregate of all expenditures and other obligations for the period of measurement which should be included in “additions to property, plant or equipment” in its consolidated statement of cash flows in accordance with GAAP.

“**Cash Collateral Account**” means the account described in Schedule A to the Cash Collateral Agreement.

“**Cash Collateral Agreement**” means the cash collateral agreement dated May 14, 2025 between Royal Bank of Canada and the Account Holder, as amended, revised, replaced, supplemented or restated from time to time.

“**Cash Equivalents**” means (a) any readily-marketable securities (i) issued by, or directly, unconditionally and fully guaranteed or insured by the Canadian or U.S. federal government or (ii) issued by any agency of the Canadian or U.S. federal government the obligations of which are fully backed by the full faith and credit of the Canadian federal government or the U.S. federal government, as applicable, (b) any readily-marketable direct obligations issued by any other

agency of the Canadian or U.S. federal government, any province, territory or state thereof or any political subdivision of any such province, territory or state or any public instrumentality thereof, in each case having a rating of at least “A-1” from S&P or at least “P-1” from Moody’s, (c) any commercial paper rated at least “A-1” by S&P or “P-1” by Moody’s and issued by any Person organized under the laws of Canada or any province or territory thereof or any state of the United States, (d) any Canadian Dollar or US Dollar-denominated time deposit, insured certificate of deposit, overnight bank deposit or bankers’ acceptance issued or accepted by (i) any Lender or (ii) any commercial bank that is (A) organized under the laws of Canada, the United States, any state thereof or the District of Columbia, (B) “adequately capitalized” (as defined in the regulations of its primary federal banking regulators) and (C) has Tier 1 capital (as defined in such regulations) in excess of Cdn.\$500,000,000, and (e) shares of any Canadian or United States money market fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clause (a), (b), (c) or (d) above with maturities as set forth in the proviso below, (ii) has net assets in excess of Cdn.\$500,000,000 and (iii) has obtained from either S&P or Moody’s the highest rating obtainable for money market funds in Canada or the United States; provided, however, that the maturities of all obligations specified in any of clauses (a), (b), (c) or (d) above shall not exceed 365 days. In addition, solely in respect of any non-U.S., non-Canadian Subsidiary, investment of the same or shorter tenor and the same or higher credit quality to those described above customarily utilized in countries in which such Subsidiary operates for short-term cash management purposes.

“**Cash Interest Expense**” means, for any period, Consolidated Interest Expense paid in cash or Cash Equivalents for such period.

“**Change in Law**” means the occurrence, after the date of this Agreement, of any of the following: (a) the phase-in, adoption or taking effect of any Applicable Law, (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any Applicable Law by any Governmental Authority.

“**Change of Control**” means (i) if Jeffrey Royer ceases to control and direct, and he and his Associates cease to own, at least 15,000,000 common shares of the Borrower, (ii) if any Person (other than Jeffrey Royer) acquires more than 20% of the Equity Interests of the Borrower, (iii) the first day on which a majority of the members of the board of directors of the Borrower are not Continuing Directors or (iv) the Borrower ceases to own, directly or indirectly, 100% of its Subsidiaries, other than Galtronics Canada Ltd.

“**Chinese Guarantor**” means any Guarantor existing pursuant to the laws of China.

“**Closing Date**” means May 29, 2025, or such later date as may be agreed to by the parties hereto.

“**Commitment**” means, in respect of each Lender from time to time, the maximum amount of Advances which such Lender has covenanted to make as set forth in Schedule A to this Agreement (which may be amended and distributed to all parties by the Agent from time to time), which for greater certainty shall in each case be reduced by such Lender’s Proportionate Share of the amount of any permanent repayments, reductions or prepayments made hereunder and which may be increased in accordance with Section 2.14.

“**Competitor**” means any Person that is an operating company directly engaged in business operations substantially similar to or competitive with the Business of the Obligors.

“**Compliance Certificate**” means the certificate required pursuant to Section 10.03(5), substantially in the form annexed as Schedule D and signed by a senior officer of the Borrower.

“**Consolidated Amortization and Depreciation Expense**” means, for any period, the Amortization and Depreciation Expense of Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

“**Consolidated Interest Expense**” means, for any period, the total consolidated interest expense of Borrower and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP plus, without duplication:

- (a) imputed interest on Capitalized Lease Obligations and on Debt in connection with sale leaseback transactions of Borrower and its Subsidiaries for such period;
- (b) commissions, discounts and other fees and charges owed by Borrower or any of its Subsidiaries with respect to letters of credit securing financial obligations, bankers’ acceptance financing, receivables financings and similar credit transactions for such period; and
- (c) amortization of debt issuance costs, debt discount or premium and other financing fees and expenses incurred by Borrower or any of its Subsidiaries for such period (including fees and expenses paid or reimbursed to the Agent and Lenders);

provided that Consolidated Interest Expense shall be calculated after giving effect to hedging agreements (including associated costs) intended to protect against fluctuations in interest rates, but excluding unrealized gains and losses with respect to any such hedging agreements.

“**Consolidated Net Income**” means, for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

“**Consolidated Tax Expense**” means, for any period, without duplication, the tax expense (including federal, provincial, state, local and foreign income taxes) of Borrower and its Subsidiaries, for such period, determined on a consolidated basis in accordance with GAAP.

“**Contingent Obligation**” means, as to any Person, any obligation, whether secured or unsecured, of such Person guaranteeing or indemnifying, or in effect guaranteeing or indemnifying, any indebtedness, leases, dividends, letters of credit or other monetary obligations (the “**primary obligations**”) of any other Person (the “**primary obligor**”) in any manner, whether directly or indirectly, including any obligation of such Person as an account party in respect of a letter of credit or letter of guarantee issued to assure payment by the primary obligor of any such primary obligation and any obligations of such Person, whether or not contingent, (a) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (b) to advance or supply funds for the purchase or payment of any such primary obligation or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase Property, securities or services primarily for the purpose of

assuring the obligee under any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) otherwise to assure or hold harmless the obligee under such primary obligation against loss in respect of such primary obligation; provided, however, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business.

“Continuing Director” means, as of any date of determination, any director of the Borrower who was a director on the Original Closing Date or was nominated for election or elected as a director of the Borrower with the approval of a majority of the Continuing Directors who were members of such board at the time of such nomination or election.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have corresponding meanings.

“Control Agreement” means, with respect to any deposit account, securities account, future account, commodity account, securities entitlement or commodity contract or futures agreement, an agreement, in form and substance reasonably satisfactory to Agent, among the Agent, the financial institution or other Person at which such account is maintained or with which such entitlement or contract is carried (if applicable, any holder of any other Lien, or any representative therefor) and the Obligor maintaining such account or owning such entitlement or contract, effective to grant “control” (within the meaning under the applicable UCC or PPSA) over such account to Agent.

“Controlled Group” in respect of any Obligor operating in the United States, means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with such Obligor or any of its Subsidiaries, are treated as a single employer under Section 414(b) or (c) of the Revenue Code or Section 4001 of ERISA.

“Conversion” means a conversion of an Advance pursuant to Section 2.08(1).

“Conversion Date” means the date specified by the Borrower as being the date on which the Borrower has elected to convert one type of Advance into another type of Advance and which shall be a Business Day.

“Conversion Notice” means the notice of request for Advance substantially in the form annexed hereto as Schedule B to be given to the Agent by the Borrower pursuant to Section 2.08.

“Convertible Debentures” means the convertible debentures in the original principal amount of \$17,250,000, issued by the Borrower on July 10, 2018, pursuant to the Convertible Debenture Indenture dated July 10, 2018 made among the Borrower and Computershare Trust Company of Canada, as amended, restated, supplemented or replaced from time to time.

“Current Assets” of the Borrower means, without duplication and on a consolidated basis, all of its assets which, at the date of determination, in accordance with GAAP, would be classified as current assets on its balance sheet (other than cash and Cash Equivalents and the current portion of income taxes).

“**Current Liabilities**” of the Borrower means, without duplication and on a consolidated basis all of its liabilities which, at the date of determination, in accordance with GAAP, would be classified as current liabilities on its balance sheet which shall include deferred revenue but exclude any long-term Debt and outstanding Advances under the Revolving Facility and the current portion of income taxes.

“**Debt**” means, with respect to any Person, without duplication, the aggregate of the following amounts, at the date of determination:

- (a) all indebtedness of such Person to any other Person for borrowed money;
- (b) all obligations of such Person for the deferred purchase price of Property or services which constitute indebtedness (other than trade accounts payable and accrued expenses arising in the ordinary course of business);
- (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments;
- (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (whether or not the rights and remedies of the sellers or lenders under such agreement in the event of default are limited to repossession or sale of such Property);
- (e) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as IFRS Leases;
- (f) all reimbursement obligations, contingent or otherwise, of such Person under bankers’ acceptance, letter of credit and similar facilities;
- (g) all Contingent Obligations of such Person in respect of Debt of another Person (other than, for certainty, the Obligor guarantees and other Security);
- (h) all Disqualified Equity; and
- (i) all obligations of such Person under any Hedge Arrangements.

“**December 2020 Equity Issuance**” means the issuance of common shares and all associated warrants by the Borrower in the month of December 2020 for gross proceeds of not less than \$5,000,000.

“**Default**” means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

“**Defined Benefit Pension Plan**” means a Canadian Pension Plan which contains a “defined benefit provision”, as defined in subsection 147.1(1) of the *Income Tax Act* (Canada).

“Disposition” means any sale, assignment, transfer, conveyance, lease or other disposition of any asset of any Obligor in a single transaction or a series of related transactions and the word **“Dispose”** shall have a correlative meaning. For certainty, (i) the purchase and sale of Cash Equivalents, (ii) the conversion of cash from one currency to another currency (iii) Permitted Encumbrances, and (iv) Permitted Distributions do not constitute Dispositions.

“Disqualified Equity” means any Equity Interest which, by its terms (or by the terms of any security or other Equity Interest into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition, (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is three (3) months following the Maturity Date, (b) is convertible into or exchangeable for (i) debt securities or (ii) any Equity Interest referred to in (a) above, in each case, at any time on or prior to the date that is three (3) months following the Maturity Date at the time such Equity Interest was issued, or (c) requires payment of dividends or distributions in cash prior to the date that is three (3) months following the Maturity Date.

“Disqualified Institutions” means any Person that is (a) designated by the Borrower, by written notice delivered to the Agent on or prior to the Closing Date, as a (i) disqualified institution or (ii) Competitor or (b) clearly identifiable, solely on the basis of such Person’s name, as an Affiliate of any Person referred to in clause (a)(i) or (a)(ii) above; provided, however, Disqualified Institutions shall (A) exclude any Person that the Borrower has designated as no longer being a Disqualified Institution by written notice delivered to the Agent from time to time and made available to the Lenders and (B) include (I) any Person that is added as a Competitor and (II) any Person that is clearly identifiable, solely on the basis of such Person’s name, as an Affiliate of any Person referred to in clause (B)(I), pursuant to a written supplement to the list of Competitors that are Disqualified Institutions, that is delivered by the Borrower after the Closing Date hereof to the Agent and made available to the Lenders. Such supplement shall become effective five (5) Business Days after the date that such written supplement is made available to the Lenders, but which shall not apply retroactively to disqualify any Persons that have previously acquired an assignment or participation interest in the Revolving Facility as permitted herein. In no event shall a bank, a trust company, an insurance company or a Bona Fide Debt Fund be a Disqualified Institution unless identified under clause (a)(ii) above.

“Distribution” means, with respect to any Person, any payment, directly or indirectly, by such Person: (a) of any dividends or distributions on any Equity Interests, other than dividends or distributions payable in shares or other Equity Interests; (b) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any Equity Interests of such Person; or (c) of any other distribution (other than distributions in shares or other Equity Interests) in respect of any Equity Interests of such Person; or (d) of any management, consulting or similar fee or compensation or any bonus payment or comparable payment, or by way of gift or other gratuity, to the extent such distributions are made in cash, to any Affiliate of such Person or to any director, officer or member of the management of an Affiliate of such Person provided that payments by an Obligor in the course of its business to employees, directors, officers and members of management of Obligors, shall not constitute Distributions hereunder.

“Drawdown” means:

- (a) the advance of a Prime Rate Advance or a US Base Rate Advance; or
- (b) the issue of Letters of Credit.

“Drawdown Date” means the date on which a Drawdown is made by the Borrower pursuant to the provisions hereof and which shall be a Business Day.

“Drawdown Notice” means the notice of request for advance substantially in the form annexed hereto as Schedule B to be given to the Agent by the Borrower pursuant to Section 2.08.

“Earn Out Obligation” means any earn out obligations paid, similar performance payments or similar obligations of any Obligor which are paid to any one or more sellers of the applicable assets or Equity Interests arising out of or in connection with an Acquisition.

“EBITDA” means, for any twelve-month period, Consolidated Net Income plus, without duplication:

- (I) to the extent deducted in determining such Consolidated Net Income:
 - (a) Consolidated Interest Expense for such period;
 - (b) Consolidated Tax Expense for such period;
 - (c) Consolidated Amortization and Depreciation Expense for such period;
 - (d) any non-cash expenses including stock option and restricted stock unit expenses, provided that the terms of such stock or stock options or any related plan, do not obligate the Borrower or any of its Subsidiaries to redeem such options or units for cash;
 - (e) any expenses or losses (including one-time financing costs, one-time severance costs, and recruitment and search expenses) resulting from transactions or events that are non-recurring in nature, or do not typify normal business activities of the Person, in any twelve month period after the date hereof (determined in accordance with GAAP), and which expenses or losses are approved by the Majority Lenders acting reasonably from time to time;
 - (f) any non-cash expense or loss resulting from any increase in the expected liability amount of Earn Out Obligations including accretion expense on the Earn Out Obligations all as determined under GAAP; and
 - (g) unrealized non-cash foreign exchange losses resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Borrower and its Subsidiaries.

- (II) without duplication, subtracting therefrom only to the extent included in determining such Consolidated Net Income:
- (a) unrealized non-cash foreign exchange gains resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Borrower and its Subsidiaries;
 - (b) any non-cash gain or income, including without limitation, any such gain resulting from any decrease in the expected liability of the amount of the Earn Out Obligations as determined in accordance with GAAP;
 - (c) any income or gains resulting from transactions or events that are non-recurring in nature, or do not typify normal business activities of the entity (determined in accordance with GAAP).

For the purposes of calculating EBITDA, (i) the financial results of the Alga Microwave Business, shall be included on a Pro Forma Basis (with normalization adjustment to be agreed upon), as if such acquisition was made at the beginning of the financial reporting period for such calculation and (ii) the EBITDA for the 12-months ending December 31, 2018 shall be deemed to be \$18,226,000 calculated as follows:

Each Fiscal Quarter	<u>EBITDA</u>
March 31, 2018	\$3,212,000
June 30, 2018	\$4,094,000
September 30, 2018	\$6,675,000
December 31, 2018	\$4,245,000

“Eligible Accounts Receivable” means accounts receivable owing to the Borrower, Canadian Guarantors or US Guarantors excluding (i) the entire amount of accounts, any portion of which is outstanding more than ninety (90) days after billing date, provided that (a) for accounts owing by account debtors other than Askey Computer Corp. and Pegatron Corporation, the 90 and under day portion may be included where the over ninety (90) day portion is less than 10% of the amount of accounts, or where the Majority Lenders have designated such portion as nevertheless good, and (b) for accounts owing by Askey Computer Corp. and Pegatron Corporation, the 90 and under day portion of such accounts may be included, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Lenders’ Security, (v) the amount of all holdbacks, contra accounts or rights of setoff on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Base calculation, (vii) any accounts which the Majority Lenders have previously advised to be ineligible, (viii) accounts that are not subject to the Security or are subject to other Encumbrances other than Permitted Encumbrances, and (ix) all Verizon Accounts.

“**Eligible Assignee**” means any Person (other than a natural person, any Obligor or any Affiliate of an Obligor), in respect of which any consent that is required by Section 16.02 has been obtained.

“**Eligible Canadian/US Accounts Receivable**” means Eligible Accounts Receivable owing to the Borrower, Canadian Guarantors or US Guarantors by debtors that have material operations located in the United States or Canada.

“**Eligible Insured Accounts Receivable**” means Insured Accounts Receivable that are Eligible Accounts Receivable.

“**Eligible Inventory**” means Finished Goods Inventory and Raw Materials Inventory of the Borrower, Canadian Guarantors or US Guarantors provided that:

- (a) such inventory is located in Canada or the United States and subject to the Security and no other Encumbrances other than Permitted Encumbrances; and
- (b) such inventory is not obsolete, slow moving, used or otherwise unsaleable, and is of good and merchantable quality free from any defects that might adversely affect the market value thereof.

“**Encumbrance**” means, in respect of any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person’s Property, or any consignment or IFRS Lease of Property by such Person as consignee or lessee or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or obligation, and “**Encumbrances**”, “**Encumbrancer**”, “**Encumber**” and “**Encumbered**” shall have corresponding meanings.

“**Environmental Laws**” means any Applicable Law relating to pollution or protection of the environment including those pertaining to:

- (a) reporting, licensing, permitting, investigating, remediating and cleaning up in connection with any presence or release, or the threat of the same, of Hazardous Materials, and
- (b) the manufacture, processing, distribution, use, treatment, storage, disposal, transport, handling and the like of Hazardous Materials, including those pertaining to occupational health and safety.

“**Environmental Liability**” means any liability of an Obligor arising from the breach of any Environmental Laws.

“**Equity Interest**” means (i) in the case of any corporation, all capital stock and any securities exchangeable for or convertible into capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participation rights or other equivalents of corporate stock (however designated) in or to such association or entity, (iii) in the case of a partnership, limited liability company or unlimited liability company, partnership or membership interests (whether general or limited), as applicable, and (iv) any other ownership interest or participation that confers

on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person, and including, in all of the foregoing cases described in clauses (i), (ii), (iii) or (iv), any warrants, rights or other options to purchase or otherwise acquire any of the interests described in any of the foregoing cases.

“Equivalent Amount” means with respect to any two currencies, the amount obtained in one such currency when an amount in the other currency is translated into the first currency using the rate published by Bank of Canada at approximately 4:30 p.m. (Toronto time) on the Business Day with respect to which such computation is required for the purpose of this Agreement, or, if such rate is not so published by the Bank of Canada for any such day, then at the spot rate quoted by the Agent at approximately noon (Toronto time) on that day in accordance with its normal practice for the applicable currency conversion in the wholesale market.

“ERISA” means the Employee Retirement Income Security Act of 1974 (United States) as amended from time to time, or any successor statute thereto, and the final, interim, temporary and other binding regulations and published and binding interpretations thereof.

“ERISA Event” has the meaning assigned thereto in Section 9.01(34).

“Event of Default” means any of the events or circumstances described in Section 12.01.

“Excluded Issuances” means Equity Interests issued by the Borrower (a) to fund Capital Expenditures permitted by the terms of this Agreement, (b) to fund Investments permitted by the terms of this Agreement, (c) to settle awards granted under the Borrower’s Omnibus Equity Incentive Plan, 2024 Bonus Awards Plan and Performance Award Plan (each as described in the Borrower’s management information circular dated March 25, 2025 for its annual and special meeting of shareholders held on May 8, 2025) and (d) with the consent in writing of the Majority Lenders from time to time.

“Excluded Subsidiaries” means each of those Persons identified on Schedule F as Excluded Subsidiaries and their successors and assigns and **“Excluded Subsidiary”** means any one of them.

“Excluded Taxes” means, with respect to the Agent, any Lender, the Issuing Lender or any other recipient of any payment to be made by or on account of any obligation of an Obligor hereunder or under any other Loan Document, (a) taxes imposed on or measured by its net income (however denominated), franchise and similar taxes imposed on it (in lieu of net income taxes), in each case, (i) by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) any branch profits taxes or any similar tax imposed by any jurisdiction described in clause (a) in which such Lender is located, (c) any U.S. federal withholding Tax that is imposed on amounts payable to a Lender pursuant to a law in effect at the time (i) such Lender becomes a party to this Agreement (other than pursuant to an assignment request by the Borrower under Section 15.03(2)) or (ii) changes its Applicable Lending Office, except in each case to the extent that, pursuant to Section 15.02, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its

lending office, (d) any withholding tax that is directly attributable to a Lender’s failure to comply with Section 15.02(6) and (e) any U.S. federal withholding taxes imposed under FATCA.

“**Existing Credit Agreement**” is defined in the Recitals to this Agreement.

“**FATCA**” means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code.

“**Federal Funds Effective Rate**” means, for any day, an annual rate of interest, expressed on the basis of a year of 360 days, equal, for each day during such period, to the weighted average of the rates on overnight United States federal funds transactions with members of the Federal Reserve System arranged by United States federal funds brokers, as published for such day (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York or, for any day on which that rate is not published for that day by the Federal Reserve Bank of New York, the simple average of the quotations for that day for such transactions received by the Agent from three United States federal funds brokers of recognized standing selected by it.

“**Financial Assistance**” means, without duplication and with respect to any Person, guarantees or Contingent Obligations granted or incurred by that Person for the purpose of or having the effect of providing financial assistance to another Person or Persons, including, without limitation, letters of guarantee, letters of credit, legally binding comfort letters or indemnities issued in connection therewith, endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business), obligations to purchase assets regardless of the delivery or non-delivery thereof and obligations to make advances or otherwise provide financial assistance to any other entity and for greater certainty “**Financial Assistance**” shall include any guarantee of any third party lease obligations.

“**Finished Goods Inventory**” means the portion of the Borrower’s inventory that is free and clear of all Encumbrances except Permitted Encumbrances that is classified as finished goods inventory.

“**Fiscal Quarter**” means each successive three-month period of the Borrower’s Fiscal Year ending on or about March 31, June 30, September 30 and December 31.

“**Fiscal Year**” means a twelve-month period ending on December 31 of any year, as such date may be changed with the consent of the Majority Lenders.

“**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; (c) scheduled principal payments in respect of

liabilities associated with IFRS Leases; and (d) 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.

“**Foreign Subsidiary**” means a Subsidiary of the Borrower organized under a law outside of Canada, the United States and China.

“**Four Quarter Period**” means as at the last day of any particular Fiscal Quarter of the Borrower, the period of four consecutive Fiscal Quarters which includes the Fiscal Quarter ending as of the date of such calculation (including the last day thereof) and the immediately preceding three Fiscal Quarters.

“**GAAP**” means, in relation to any Person at any time, (i) the Accounting Standards for Private Enterprises or (ii) International Financial Reporting Standards for Public Companies, as applicable, in each case, as approved by the Accounting Standards Board of Canada or its successor, applied on a basis consistent with the most recent audited financial statements of such Person (except for changes approved by the auditors of such Person).

“**Governmental Authority**” means the government of Canada or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

“**Guarantee**” has the meaning set forth in Section 11.01(1)(d).

“**Guarantors**” means each Secured Guarantor and each Unsecured Guarantor, and “**Guarantor**” means any one of them. The Guarantors as of the Closing Date are set forth in Schedule F.

“**Hazardous Material**” means any substance, product, waste, pollutant, material, chemical, contaminant, dangerous goods, hazardous waste, constituent or other material listed, regulated, or addressed under any Environmental Law because of its dangerous or deleterious properties, including, without limitation, asbestos, petroleum product or by-product, polychlorinated biphenyls and radon.

“**Hedge Arrangement**” means, for any period, for any Person, any arrangement or transaction between such Person and any other Person which is an interest rate swap transaction, basis swap, forward interest rate transaction, commodity swap, interest rate option, forward foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency interest rate swap transaction, currency option or any other similar transaction (including any option with respect to any of such transactions or arrangements) designed to protect or mitigate against risks in interest, currency exchange or commodity price fluctuations.

“**Hostile Take-Over Bid**” means a Take-Over Bid by an Obligor or in which an Obligor is involved, in respect of which the board of directors (or persons performing similar functions) of

the Person whose securities are subject to such Take-Over Bid has recommended rejection of such Take-Over Bid.

“**IFRS Lease**” means, with respect to any Person, any lease of (or other agreement conveying the right to use) any real or personal property by such Person that, in conformity with GAAP, is or should be accounted as a right of use asset and a lease liability on the balance sheet of that Person in accordance with *IFRS 16 Leases*.

“**Immaterial Subsidiary**” means any Subsidiary of the Borrower that has no material assets and material EBITDA as determined from time to time by the Agent acting reasonably.

“**Indemnified Taxes**” means Taxes other than Excluded Taxes.

“**Insolvency Legislation**” means legislation in any applicable jurisdiction 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 *BIA*, the *Companies’ Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and the *Bankruptcy Code* (United States).

“**Insured Accounts Receivable**” means trade accounts receivable of the Borrower, the Canadian Guarantors, the US Guarantors or the Chinese Guarantors, and other Obligors where the payment has been insured by Export Development Canada, Compagnie Française d’Assurance pour le Commerce Extérieur or Coface Canada and (i) the policy has been assigned to the Agent on behalf of the Lenders and the insurer has acknowledged such assignment and its obligation to pay any proceeds of such insurance to the Agent only, or (ii) in the case of Export Development Corporation, the Agent has been provided with a duly executed “Direction to Pay” supported by a copy of the applicable insurance policy and any renewals thereof, or (iii) such other arrangements for the direct payment to the Agent under such policy or policies have been made to the Agent’s satisfaction.

“**Intellectual Property**” means the intellectual property in patents, patent applications, trademarks, trade-mark applications, trade names, service marks, copyrights, copyright registrations and trade secrets including, without limitation, customer lists and information and business opportunities, industrial designs, proprietary software, technology, recipes and formulae and other similar intellectual property rights.

“**Interbank Reference Rate**” means the interest rate expressed as a percentage per annum which is customarily used by the Agent when calculating interest due by it or owing to it arising from correction of errors and other adjustments between it and other Canadian chartered banks.

“**Interest Payment Date**” means with respect to each Prime Rate Advance and US Base Rate Advance, the first Business Day of each calendar month.

“**Interest Period**” means:

- (a) with respect to each Prime Rate Advance and US Base Rate Advance, the period commencing on the applicable Drawdown Date or Conversion Date, as the case may be, and terminating on the date selected by the Borrower hereunder for the

Conversion of such Advance into another type of Advance or for the repayment of such Advance; and

- (b) with respect to a Letter of Credit, the period commencing on the date of issuance of the Letter of Credit and terminating on the last day that the Letter of Credit is outstanding;

provided that (i) in any case the last day of each Interest Period shall be also the first day of the next Interest Period, (ii) the last day of each Interest Period shall be a Business Day and if the last day of an Interest Period selected by the Borrower is not a Business Day the Borrower shall be deemed to have selected an Interest Period the last day of which is the Business Day next following the last day of the Interest Period otherwise selected, and (iii) no Interest Period shall expire subsequent to the Maturity Date.

“Investment” by any Person means any direct or indirect (a) acquisition of any Equity Interest in any other Person, including Acquisition, or (b) loan or advance made to any other Person (excluding, for certainty, amounts owing in respect of ordinary course trade payables). In determining the amount of any Investment involving a transfer of any Property other than cash, such Property shall be valued at its fair market value at the time of such transfer. The value of each Investment is measured at the time made and without giving effect to the subsequent changes to the value or any write-ups, write-downs or write-offs thereof, but giving effect to any cash return or repayment or cash distributions received by the Borrower or any Obligor with respect thereto. The amount of Investment made in a currency other than the US Dollars shall be measured on an equivalent basis at the time such Investment is made. Subsequent changes in currency exchange rates shall not increase or decrease the amount of outstanding Investments.

“ISDA Master Agreement” means the 2002 ISDA Master Agreement (Multi-Currency - Cross Border) as published by the International Swaps and Derivatives Association, Inc., as amended, revised or replaced from time to time.

“ISP” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

“Issuing Lender” means RBC or such other Lender as may from time to time be designated as an Issuing Lender jointly by the Agent and the Borrower.

“Judgment Conversion Date” has the meaning set forth in Section 17.05(1)(b).

“Judgment Currency” has the meaning set forth in Section 17.05(1).

“Landlord Agreement” means an agreement in form and substance satisfactory to the Agent, acting reasonably, given by the landlord of a Leased Location in favour of the Agent, which shall include, without limitation, the following provisions (except to the extent otherwise agreed by the Agent, acting reasonably): such landlord’s consent to the granting of a security interest in the lease by the applicable Obligor which is a tenant thereunder in favour of the Agent, such landlord’s agreement to give written notice to the Agent in respect of and a reasonable opportunity to cure any default before terminating the lease, and such landlord’s agreement to waive (or subordinate

and defer the enforcement of) its rights and remedies and any security it may hold in respect of any assets owned by such Obligor located on such Leased Location or affixed to such Leased Location which the tenant is entitled to remove under Applicable Law or pursuant to the terms of the lease.

“**Late Payment Rate**” means the then Applicable Margin plus 2%.

“**Leased Locations**” means the locations of the leased premises of the Obligors set forth in Schedule 9.01(13) attached hereto and any additional locations as may be leased or rented from time to time by any Obligor, as lessee.

“**Lender-Related Distress Event**” means, with respect to any Lender or any Person that directly or indirectly controls such Lender (each a “**Distressed Person**”), a voluntary or involuntary case with respect to such Distressed Person under any Insolvency Legislation or a custodian, conservator, receiver or similar official is appointed for such Distressed Person or any substantial part of such Distressed Person’s assets, or such Distressed Person is subject to a forced liquidation, merger, sale or other change of control supported in whole or in part by guaranties or other support (including, without limitation, the nationalization or assumption of ownership or operating control by the government of Canada, the United States or other Governmental Authority), or such Distressed Person makes a general assignment for the benefit of its creditors or is otherwise adjudicated as, or determined by any Governmental Authority having regulatory authority over such Distressed Person or its assets to be, insolvent, bankrupt, or deficient in meeting any capital adequacy or liquidity standard of any such governmental authority. For purposes of this definition, control of a Person shall have the same meaning as in the last sentence of the definition of “**Affiliate**”.

“**Lenders**” means the Persons designated in Schedule A annexed hereto and “**Lender**” means any one of the Lenders and includes each of their successors and permitted assigns.

“**Lenders’ Counsel**” means the firm of Borden Ladner Gervais LLP or such other firm of legal counsel as the Agent may from time to time designate and any and all local agent counsel retained by Borden Ladner Gervais LLP for and on behalf of the Agent.

“**Lending Office**” means, with respect to a particular Lender, the branch or office specified in Schedule A from which such Lender makes Advances and to which the Agent disburses payments received for the benefit of such Lender.

“**Letter of Credit Fee Rate**” means, with respect to a Letter of Credit, the annual percentage per annum indicated below the reference to “**Letters of Credit Fee Rate**” in the pricing grid in the definition of “**Applicable Margin**” relevant to the period in respect of which determination is being made.

“**Letters of Credit**” means letters of credit or letters of guarantee issued by the Issuing Lender pursuant to the Revolving Facility at the request and for the account of the Borrower under this Agreement, and “**Letter of Credit**” means any one thereof.

“**Liquidity**” means, as of a date of determination, the sum of (a) the unused capacity available to the Borrower under the Revolving Facility, and (b) the Qualified Cash of the Borrower.

“Loan Documents” means (a) this Agreement, the Advantech Litigation Agreement, the Cash Collateral Agreement, the Security, all Guarantees delivered by any Obligor pursuant to this Agreement, and each document, agreement, instrument and certificate delivered to the Agent by or on behalf of an Obligor or any other Person (in the case of any other Person, as required by the terms of this Agreement) on the Closing Date; and (b) all present and future security, agreements, intercreditor agreements, subordination agreements, documents, certificates and instruments delivered by any Obligor or any other Person to the Agent or the Lenders pursuant to, or in respect of the agreements and documents referred to in clause (a); in each case as the same may from time to time be supplemented, amended or restated, and **“Loan Document”** means any one of the Loan Documents.

“Majority Lenders” means Lenders holding greater than 66^{2/3}% of the Commitments under the Revolving Facility; provided that should there only be two Lenders, Majority Lenders shall mean both such Lenders.

“March 2021 Warrants Exercise” means the exercise of warrants associated with the November 2020 Equity Issuance for gross proceeds of not less than \$3,300,000.

“Material Adverse Change” means (a) any material adverse change in the business, operations, assets, liabilities or financial condition of the Borrower and its Subsidiaries, taken as a whole, (b) any material adverse change in the ability of the Borrower and Guarantors (taken as a whole) to fully and timely perform any of their obligations under any Loan Document and (c) any material adverse change in the rights and remedies available to the Lenders and the Agent under the Loan Documents.

“Material Contracts” means each of the agreements identified in Schedule 9.01(21) and any agreement, contract or legally binding arrangement entered into from time to time by an Obligor or to which any of their property or assets may be subject for which breach, non performance, cancellation, failure to renew, termination, revocation or lapse could reasonably be expected to result in a Material Adverse Change.

“Material Licences” means each licence, permit or approval issued by any Governmental Authority to any Obligor the breach or default in respect of which could reasonably be expected to result in a Material Adverse Change.

“Maturity Date” means the earlier of (i) January 31, 2026, and (ii) the date on which the Revolving Facility is terminated pursuant to Section 12.02.

“Mortgage” means, collectively, the deeds of trust, trust deeds, deeds of hypothec and mortgages creating and evidencing an Encumbrance on real property made by an Obligor in favor or for the benefit of the Agent on behalf of the Lenders and Issuing Lender in form and substance reasonably to the Agent, and any other mortgages or deed of hypothec executed or delivered pursuant to Article 11.

“Multiemployer Plan” means a plan described in Section 4001(a)(3) of ERISA and subject to Title IV of ERISA.

“**Net Income**” means, for any period, with respect to the Borrower, the Consolidated Net Income (loss) of the Borrower, for such period, all as determined in accordance with GAAP.

“**Net Proceeds**” means, with respect to a Disposition by an Obligor, the sum of cash or readily marketable cash equivalents received therefrom (including by way of a cash generating sale or discounting of a note or receivable, but excluding any other consideration received in the form of assumption by the acquiring Person of debt or other obligations relating to the properties or assets so disposed of or received in any other non-cash form), whether at the time of such Disposition or subsequent thereto, net of all legal, title and recording tax expenses, commissions and other reasonable fees and all costs and expenses incurred and all Taxes (including any withholding Taxes) paid or reasonably expected to be payable as a consequence of such transactions and of all payments made by the applicable Obligor on any Debt which is secured by the assets disposed of pursuant to a Permitted Encumbrance upon or with respect to such assets or which must, by the terms of such Encumbrance, be repaid out of the proceeds from such Disposition.

“**Ningbo Bank Debt**” means the aggregate 30,000,000-yuan loan facilities in favour of the Chinese Guarantor from the Bank of Ningbo Co., Ltd. and an Affiliate of the Bank of Ningbo Co., Ltd., secured by the Chinese Guarantor’s assets.

“**Non-Arm’s Length**” and similar phrases have the meaning attributed thereto for the purposes of the *Income Tax Act* (Canada); and “**Arm’s Length**” shall have the opposite meaning.

“**Non-Funding Lender**” means any Lender (i) that has failed to fund any payment or Advances required to be made by it hereunder or to purchase all participations required to be purchased by it hereunder and under the Loan Documents, or (ii) that has given verbal or written notice to the Borrower, the Agent or any Lender or has otherwise publicly announced that it believes that it will be unable to fund advances under credit arrangements to which it is a party, or (iii) with respect to which one or more Lender-Related Distress Events has occurred, or (iv) with respect to which the Agent or the Issuing Lender has knowledge that such Lender has defaulted in fulfilling its obligations (whether as an agent, lender or letter of credit issuer) under one or more other syndicated credit facilities, or (v) with respect to which the Agent has concluded, acting reasonably, and has advised the Lenders in writing that it is of the view that, there is a reasonable chance that such Lender shall become a “Non-Funding Lender” pursuant to any of (i), (ii) or (iii) above and that such Lender has been deemed a “Non-Funding Lender.”

“**Non-North American Obligors**” means the Obligors other than the North American Obligors and “**Non-North American Obligor**” means any one of them.

“**North American Obligors**” means the Borrower, the Canadian Guarantor and the US Guarantor and “**North American Obligor**” means any one of them.

“**Obligations**” means, with respect to any Obligor, all of its present and future indebtedness, liabilities and obligations of any and every kind, nature or description whatsoever (whether direct or indirect, joint or several or joint and several, absolute or contingent, matured or unmatured, in any currency and whether as principal debtor, guarantor, surety or otherwise, including without limitation any interest that accrues thereon after or would accrue thereon but for the commencement of any case, proceeding or other action, whether voluntary or involuntary, relating

to the bankruptcy, insolvency or reorganization whether or not allowed or allowable as a claim in any such case, proceeding or other action) to each of the Agent, the Lenders (and their Affiliates), and any of them under each of the Loan Documents and any and all Hedge Arrangements and Service Agreements and all agreements relating to VISA, MasterCard and other charge cards issued by any Lender, and any unpaid balance thereof.

“**Obligors**” means, collectively, the Borrower, the Guarantors and the Excluded Subsidiaries. As of the Closing Date, the Obligors consist of each of the Persons identified on Schedule F.

“**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.

“**OFAC**” means The Office of Foreign Assets Control of the US Department of the Treasury.

“**Organizational Documents**” means, with respect to any Person, such Person’s articles or other charter documents, by-laws, shareholder agreement, partnership agreement, joint venture agreement, limited liability company agreement or trust agreement, as applicable, and any and all other similar agreements, documents and instruments relative to such Person.

“**Original Closing Date**” means March 29, 2019.

“**Other Connection Taxes**” means, with respect to the Agent, any Lender, the Issuing Lender or any other recipient of any payment to be made by or on account of an Obligor hereunder or under any other Loan Document, Taxes imposed as a result of a present or former connection between such person and the jurisdiction imposing such Tax (other than connections arising from such person having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to this Agreement or enforced this Agreement or any other Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“**Other Taxes**” means all present or future stamp, court or documentary, intangible, recording, filing or similar taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery, performance, registration or enforcement of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Loan Document.

“**Participant**” shall have the meaning ascribed to such term in Section 16.04.

“**Patriot Act**” shall have the meaning ascribed to such term in Section 9.01(36).

“**PBGC**” means the Pension Benefit Guaranty Corporation or any Person succeeding to any or all of its functions under ERISA.

“**Pension Event**” means: (a) the failure of an Obligor to make or remit any employer or employee contributions with respect to any Canadian Pension Plan required by Applicable Law or by the terms of such Canadian Pension Plan, except where such failure could not reasonably be expected to have a Material Adverse Change; (b) the revocation of registration by applicable Governmental

Authorities of a Defined Benefit Pension Plan; (c) the material failure of a Canadian Pension Plan to comply with the provisions of Applicable Law or with the terms of such Canadian Pension Plan; (d) (i) the filing of a notice with a Governmental Authority to, (ii) the institution of proceedings by any Governmental Authority to, or (iii) the actual, termination or wind up of all or a part of a Defined Benefit Pension Plan; or (e) a trustee is appointed to administer a Defined Benefit Pension Plan.

“Permitted Debt” means:

- (a) the Obligations;
- (b) Debt in respect of Purchase Money Security Interests and IFRS Leases in an aggregate outstanding principal amount not to exceed Cdn.\$2,000,000 in the aggregate at any time;
- (c) Guarantees by the Borrower or any Obligor of Debt of the Borrower or any other Obligor (other than Debt permitted pursuant to subsection (i) of this definition), provided that the Debt so guaranteed is otherwise permitted hereunder;
- (d) the Convertible Debentures;
- (e) the Ningbo Bank Debt;
- (f) Permitted Hedge Arrangements provided that such Hedge Arrangements are unsecured;
- (g) Hedge Arrangements in compliance with the provisions of Section 10.04(13);
- (h) Debt: (a) owing by a Non-North American Obligor to a North American Obligor; and (b) which is a Permitted Investment; and (c) which is Financial Assistance permitted by clauses (ii) or (iii) of Subsection 10.04(6); provided that, in each case, if the Subsidiary to which the Debt is owed is not a Guarantor, such Debt shall, at the request of the Majority Lenders, be subject to a subordination and postponement agreement satisfactory to the Majority Lenders;
- (i) all Contingent Obligations permitted hereunder; and
- (j) Debt consented to in writing by the Majority Lenders from time to time.

“Permitted Disposition” means:

- (a) Disposition of inventory in the ordinary course of business;
- (b) Dispositions of used, worn-out, obsolete or surplus equipment in the ordinary course of business or equipment being replaced;

- (c) abandonment or Disposition of Intellectual Property that is no longer material to the conduct of the business of the Borrower or any Obligor as determined by the Borrower in its reasonable business judgment;
- (d) Disposition of accounts (including write-offs, discounts and compromises) in the ordinary course of business for purpose of collection;
- (e) licenses, sublicenses, leases or subleases (including in respect of Intellectual Property) granted to third parties in the ordinary course of business not interfering with the business of the Borrower or any Obligor in any material respect as determined by the Borrower in its reasonable business judgment;
- (f) Dispositions of Property by an Obligor that is not the Borrower or a Guarantor to another Obligor that is not the Borrower or a Guarantor;
- (g) other Dispositions by Obligors to the extent that no Default or Event of Default exists and the aggregate amount of consideration received in respect of the assets Disposed of by all Obligors pursuant to this clause does not exceed Cdn.\$1,500,000 in the aggregate in a Fiscal Year; and
- (h) Dispositions consented to in writing by the Majority Lenders.

“Permitted Distributions” means:

- (a) Distributions paid by any Obligor to the Borrower or a Secured Guarantor; and
- (b) Distributions consented to in writing by the Majority Lenders.

“Permitted Encumbrances” means, with respect to any Person, the following:

- (a) Encumbrances for Taxes, assessments and other governmental charges or levies (i) not yet due or for which installments have been paid based on reasonable estimates pending final assessments or (ii) if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person and in respect of which adequate reserves under GAAP are maintained;
- (b) undetermined or inchoate liens, rights of distress and charges incidental to current operations which have not at such time been filed or exercised and of which none of the Lenders has been given notice, or which relate to obligations not due or payable, or the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- (c) reservations, limitations, provisos and conditions expressed in any original grants from the Crown or other grants of real or immovable property, or interests therein, which do not materially affect the use of the affected land for the purpose for which it is used by that Person;

- (d) zoning, land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, state, municipal and other Governmental Authorities, licences, easements, rights-of-way and rights in the nature of easements (including, without limiting the generality of the foregoing, licences, restrictions, easements, servitudes, rights-of-way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) which do not materially impair the use of the affected land for the purpose for which it is used by that Person;
- (e) title defects, encroachments or irregularities or other matters relating to title which are of a minor nature and which in the aggregate do not materially impair the use of the affected property for the purpose for which it is used by that Person;
- (f) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (g) other than Letters of Credit, the Encumbrance resulting from the deposit of cash or securities to an aggregate maximum amount for all Obligor of Cdn.\$1,000,000 at any time in connection with contracts, tenders or expropriation proceedings, or to secure workmen's compensation, unemployment insurance, surety or appeal bonds, costs of litigation when required by law, liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens, and public, statutory and other like obligations incurred in the ordinary course of business;
- (h) security given to a public utility or any municipality or Governmental Authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business provided that such security does not materially impair the use of the affected property for the purpose for which it is used by that Person;
- (i) liens securing appeal bonds or other similar liens arising in connection with court proceedings (including security for costs of litigation where required by law and letters of credit) or any other instrument serving a similar purpose not to exceed Cdn.\$500,000 in aggregate outstanding at any time;
- (j) the Encumbrance created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings or is promptly satisfied by that Person and does not result in an Event of Default;
- (k) any Encumbrance or trust arising in connection with worker's compensation, employment insurance, pension and employment law;

- (l) the Security;
- (m) Encumbrances securing Permitted Debt other than Permitted Hedge Arrangements;
- (n) Encumbrance owing by 9174-0050 Québec Inc. to Timex Realty Corporation as landlord in respect of the premises located at 6575 and 6585 Chemin St. François, St-Laurent, Quebec, securing amounts under the leases for such premises not to exceed Cdn\$36,000 and limited to assets located on such premises; and
- (o) such other Encumbrances as agreed to in writing by the Majority Lenders in accordance with this Agreement.

“Permitted Hedge Arrangements” means the Hedge Arrangements entered into by the Borrower and Cambridge Mercantile Corp pursuant to the facility letter dated April 28, 2023, as more fully described on Schedule 10.04(13), provided that such Hedging Arrangements are not increased, renewed or otherwise amended after the date of this Agreement.

“Permitted Investment” means:

- (a) Investments in Cash Equivalents and assets that were Cash Equivalents when such Investment was made;
- (b) Investments in North American Obligors;
- (c) Investments by North American Obligors in Non-North American Obligors; provided that (i) the aggregate amount of such Investments together with all Debt advanced by North American Obligors to Non-North American Obligors shall not exceed Cdn.\$1,000,000 in the aggregate at any time; and (ii) the Borrower is in compliance with the financial covenants set out in Section 10.02 on a Pro Forma Basis;
- (d) Investments made by Non-North American Obligors in other Non-North American Obligors; and
- (e) Investments consented to in writing by the Majority Lenders.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Potential Prior Ranking Claims” means, with respect to any Person, any amount payable by such Person which ranks or is capable of ranking prior to or *pari passu* with the Encumbrances created by the Security, including amounts owing for wages, vacation pay, severance pay, employee deductions, *Wage Earner Protection Program Act* (Canada) obligations, sales tax, excise tax, income tax, workers compensation, government royalties, pension fund obligations (including any pension deficit), and other similar statutory claims which rank or is capable of ranking prior to or *pari passu* with the Encumbrances created by the Security.

“**PPSA**” means the Personal Property Security Act of the Province of Ontario, as amended, re-enacted or replaced from time to time.

“**Pricing Date**” is defined in the definition of “Applicable Margin”.

“**Prime Rate**” means the annual rate of interest announced from time to time by the Agent as being its reference rate then in effect on such day for determining interest rates on Canadian Dollar denominated commercial loans made by it in Canada. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. Any change in the Prime Rate determined by the Agent shall be effective on the date the change becomes effective.

“**Prime Rate Advance**” means an Advance in Canadian Dollars made by the Lenders to the Borrower with respect to which the Borrower has specified that interest is to be calculated by reference to the Prime Rate.

“**Prime Rate Margin**” means, for any period, the percentage rate per annum applicable to that period as indicated below the reference to “Prime Rate Margin” in the pricing grid in the definition of “Applicable Margin”.

“**Pro Forma Basis**” means, with respect to any determination for any period of the most recent twelve consecutive fiscal months for which financial statements are required to be delivered hereunder, any Specified Transaction which is required to be calculated on a Pro Forma Basis by the terms of this Agreement or the implementation of an operational initiative or operational change after the Closing Date, that such determination shall be made by giving pro forma effect to each such Specified Transaction or operational initiative or change, as if each such Specified Transaction or operational initiative or change had been consummated on the first day of such period.

“**Property**” means, with respect to any Person, all or any portion of its undertaking, property and assets, both real and personal, including for greater certainty any share in the capital of a corporation or ownership interest in any other Person.

“**Proportionate Share**” means in respect of each Lender from time to time, (a) with respect to the Revolving Facility, the percentage of the Revolving Facility which a Lender has agreed to advance to the Borrower, determined by dividing the Lender’s Commitment in respect of the Revolving Facility, by the aggregate of all of the Lenders’ Commitments with respect to the Revolving Facility, and, with respect to an Advance, means the Proportionate Share of the Revolving Facility, (b) with respect to the Obligations, pro rata in accordance with the aggregate unpaid amount of the Obligations owed to such Lender, which, in the case of all Qualifying Hedge Arrangements, shall mean all amounts due thereunder including, with respect to all Qualifying Hedge Arrangements (whether or not governed by an ISDA Master Agreement), as a result of a Termination Event (as such term is defined in the ISDA Master Agreement).

“**Purchase Money Security Interest**” means an Encumbrance created or assumed by an Obligor securing Debt incurred to finance the unpaid acquisition price of personal Property (but, for certainty, excluding Equity Interests or in connection with an Acquisition) provided that in each case (i) such Encumbrance is created prior to the acquisition of such personal Property, (ii) such

Encumbrance does not at any time encumber any Property other than the Property financed or refinanced (to the extent the principal amount is not increased) by such Debt and proceeds thereof, (iii) the amount of Debt secured thereby is not increased subsequent to such acquisition, and (iv) the principal amount of Debt secured by any such Encumbrance at no time exceeds 100% of the original acquisition price of such personal Property at the time it was acquired.

“**Qualified Cash**” means cash of the Borrower, the US Guarantors and the Canadian Guarantors subject to the Security and no other Encumbrances other than Permitted Encumbrances and held in an account in the United States or Canada with the Agent or a Lender or otherwise subject to a Control Agreement in favour of the Agent satisfactory to the Agent.

“**Qualifying Hedge Arrangements**” means a Hedge Arrangement provided by a Lender or an Affiliate of a Lender which is entered into after the date hereof and is permitted pursuant to Section 10.04(13).

“**Raw Materials Inventory**” means the portion of the Borrower’s inventory that is free and clear of all Encumbrances except Permitted Encumbrances that is classified as raw materials inventory.

“**RBC**” means Royal Bank of Canada and its successors and permitted assigns.

“**Related Parties**” means, with respect to any Person, such Person’s Affiliates and the directors, officers, employees and agents of such Person and of such Person’s Affiliates.

“**Relevant Jurisdiction**” means, from time to time, with respect to a Person that is granting Security hereunder, any province or territory of Canada, any state of the United States or any other country, political subdivision thereof, in which such Person has its jurisdiction of formation, chief executive office or chief place of business or has tangible Property (other than Property in transit) and, for greater certainty, at the Closing Date includes the provinces set forth in Schedule 9.01(19) attached hereto.

“**Repayment Notice**” means the notice substantially in the form annexed hereto as Schedule C.

“**Reportable Event**” means any of the events set forth in Section 4043(c) of ERISA, other than an event for which the provision of notice has been waived.

“**Requirements of Law**” means, as to any Person, any Applicable Law, or determination of a Governmental Authority having the force of law (but nevertheless including determinations of a Governmental Authority not having the force of law if responsible and prudent Persons engaged in a business similar to the Business would observe such determinations), in each case applicable to or binding upon such Person or any of its business or Property or to which such Person or any of its business or Property is subject.

“**Revenue Code**” means the *United States Internal Revenue Code of 1986*, as amended from time to time, or any successor statute thereto, and the regulations and published interpretations thereof.

“**Revolving Facility**” has the meaning set forth in Section 2.01.

“**Revolving Facility Limit**” means the lesser of the Aggregate Revolving Commitment and the Borrowing Base as set out in the latest Borrowing Base Certificate delivered hereunder.

“**Sanctioned Entity**” means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in or determined to be resident in a country, in each case, that is subject to a country sanctions program administered and enforced by OFAC or similar program administered under Canadian Sanctions Laws.

“**Sanctioned Person**” means a person named on the list of Specially Designated Nationals maintained by OFAC or otherwise designated under Sanctions Laws.

“**Sanctions Laws**” has the meaning set forth in Section 9.01(35).

“**Secured Guarantors**” means each Subsidiary who has granted Security in favour of the Lenders as of the Closing Date and each other Subsidiary that may from time to time grant Security to the Lenders in accordance with 10.04(16) and their successors and assigns, and “**Secured Guarantor**” means any one of them.

“**Security**” means all security (including Guarantees) held from time to time by or on behalf of the Lenders or the Agent on behalf of the Lenders, securing or intended to secure directly or indirectly repayment of the Obligations and includes, without limitation, all security described in Article 11.

“**Security Documents**” means the documents referred to in Section 11.01(1).

“**Senior Debt**” means Total Debt less (i) the principal amount of the Convertible Debentures and the Ningbo Bank Debt, (ii) liabilities associated with IFRS Leases, (iii) Qualified Cash up a maximum amount of Cdn.\$10,000,000 and (iv) for clarity, the redemption price and accrued dividends of the Series A Preferred Shares of the Borrower.

“**Senior Debt to EBITDA Ratio**” means, for any twelve month period, the ratio of (i) the Senior Debt of the Borrower and its Subsidiaries as of the end of such twelve-month period to (ii) the EBITDA of the Borrower and its Subsidiaries for such period.

“**Service Agreements**” means agreements made between an Obligor and a Lender in respect of cash management, payroll or other banking services.

“**Solvent**” and “**Solvency**” mean, with respect to any Person on any date of determination, that on such date (i) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (ii) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matures, and (iii) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature; provided that the amount of contingent liabilities at the time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can be reasonably expected to become an actual or matured liability.

“**Specified Transaction**” means any Investment resulting in a person becoming a Subsidiary, any Permitted Investment, the acquisition of the Alga Microwave Business and shall include the incurrence or repayment, as applicable, of any Debt in connection with the foregoing.

“**Subsidiary**” means, at any time, as to any Person, any other Person, if at such time the first mentioned Person owns, directly or indirectly, securities or other ownership interests in such other Person, having ordinary voting power to elect a majority of the board of directors or persons performing similar functions for such other Person, and shall include any other Person in like relationship to a Subsidiary of such first mentioned Person.

“**Take-Over Bid**” shall mean either (a) an offer to acquire outstanding voting or equity securities of a class of a Person whose shares are publicly traded where the securities that are the subject of such offer, together with the offeror’s securities, constitute at least 20% of the outstanding securities of that class of securities on the date the offer is made, or (b) any other event which is a take-over bid within the meaning attributed to such term by any law, treaty, rule, regulation, or requirement of any stock exchange or securities commission, or determination of any arbitrator, court, stock exchange, securities commission or other Governmental Authority, in each case, applicable to or binding on any Obligor.

“**Taxes**” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“**Total Debt**” means the Debt of the Borrower determined on a consolidated basis (provided that for greater certainty, to the extent that any Debt of any Obligor is backstopped by a Letter of Credit issued hereunder in favour of the applicable Lender, the amount of Debt to be included in “Total Debt” shall be the greater of the amount of such Debt or the amount of such Letter of Credit).

“**Unfinanced Capital Expenditures**” shall mean Capital Expenditures, excluding those funded with the proceeds of any (i) Debt, other than Advances under the Revolving Facility, or (ii) Equity Interests, other than Disqualified Equity.

“**United States Bankruptcy Code**” means Title 11 of the United State Code, as amended, or any similar federal or state law for the relief of debtors.

“**United States Dollars**”, “**US Dollars**” and “**US\$**” means the lawful money of the United States of America.

“**Unsecured Guarantors**” means each Foreign Subsidiary who has executed an unsecured guarantee in favour of the Lenders as of the Closing Date and each other Subsidiary that may from time to time deliver an unsecured guarantee to the Lenders in accordance with Article 11 and their successors and assigns, and “**Unsecured Guarantor**” means any one of them.

“**US Base Rate**” means, at any time, the rate of interest per annum equal to the greater of the rate of interest per annum which determined by the Agent from time to time as the reference rate of interest for loans in U.S. Dollars to its Canadian borrowers.:

“**US Base Rate Advance**” means an Advance in United States Dollars made by the Lenders to the Borrower with respect to which the Borrower has specified that interest is to be calculated by a reference to US Base Rate.

“**US Base Rate Margin**” means, for any period, the percentage rate per annum applicable to that period as indicated below the reference to “US Base Rate Margin” in the pricing grid in the definition of “Applicable Margin”.

“**US Guarantor**” means any Guarantor existing pursuant to the laws of the United States of America, any State thereof or the District of Columbia.

“**US Pension Plan**” means any employee pension benefit plan covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Revenue Code (other than a Multiemployer Plan) that either (i) is sponsored or maintained by the Obligor or any of them, or (ii) with respect to which an Obligor has or may have liability (including on account of its membership in a Controlled Group).

“**Verizon Accounts**” means any accounts receivable owed to any Obligor by Verizon Communications Inc. and/or its various subsidiaries and affiliates.

1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.03 Accounting Practices

All calculations for the purposes of determining compliance with the financial ratios and financial covenants contained in this Agreement will be made on a basis consistent with GAAP as it exists on the date of this Agreement and used in the preparation of the consolidated financial statements of the Borrower for its financial year ended December 31, 2023. In the event of a change in such GAAP, the Borrower and the Majority Lenders will negotiate in good faith to revise (if appropriate) such ratios and covenants to reflect GAAP as then in effect. Pending such agreement, the financial covenants set out in Section 10.02 shall continue to be calculated in accordance with GAAP in effect prior to such change and the Borrower will provide a reconciliation showing changes from the results set out in its financial statements that are required to be made in order to make such the calculations.

1.04 Permitted Encumbrances

The inclusion of reference to Permitted Encumbrances in any Loan Document is not intended to subordinate and shall not subordinate, and shall not be interpreted as subordinating, any Encumbrance created by any of the Security to any Permitted Encumbrance.

1.05 Currency

Unless otherwise specified in this Agreement, all references to dollar amounts (without further description) will mean Canadian Dollars. All Obligations shall be repaid in the currency in which such Obligations are denominated.

1.06 Paramountcy

In the event of a conflict in or between the provisions of this Agreement and the provisions of any Schedule annexed hereto or any of the other Loan Documents then, notwithstanding anything contained in such Schedule or other Loan Document, the provisions of this Agreement will prevail and the provisions of such Schedule or other Loan Document will be deemed to be amended to the extent necessary to eliminate such conflict. In particular, if any act or omission of an Obligor is expressly permitted under this Agreement but is expressly prohibited under any Schedule annexed hereto or another Loan Document, such act or omission shall be permitted. If any act or omission is expressly prohibited under any Schedule annexed hereto or a Loan Document (other than this Agreement), but this Agreement does not expressly permit such act or omission, or if any act is expressly required to be performed under such Schedule or such Loan Document but this Agreement does not expressly relieve the applicable Obligor from such performance, such circumstance shall not constitute a conflict in or between the provisions of this Agreement and the provisions of such Schedule or Loan Document. For greater certainty any Schedule or Loan Document may expressly override any provision in this Agreement with expression such as “notwithstanding anything set forth in any other Loan Document” or terms of similar import.

1.07 Non-Business Days

Unless otherwise expressly provided in this Agreement, whenever any payment is stated to be due on a day other than a Business Day, the payment will be made on the immediately following Business Day. Unless otherwise expressly provided in this Agreement, whenever any action to be taken is stated or scheduled to be required to be taken on, or (except with respect to the calculation of interest or fees) any period of time is stated or scheduled to commence or terminate on, a day other than a Business Day, the action will be taken or the period of time will commence or terminate, as the case may be, on the immediately following Business Day.

1.08 Interest Payments and Calculations

(1) All interest payments to be made under this Agreement will be paid without allowance or deduction for deemed re-investment or otherwise, both before and after maturity and before and after default and/or judgment, if any, until payment of the amount on which such interest is accruing, and interest will accrue on overdue interest, if any.

(2) Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest or rate of fees “per annum” or a similar expression is used, such interest or fees will be calculated on the basis of a calendar year of 365 days or 366 days, as the case may be, and using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed re-investment of interest.

(3) For the purposes of the *Interest Act* (Canada) and disclosure under such act, whenever interest to be paid under this Agreement is to be calculated on the basis of a year of 365 days or any other period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by either 365 or such other period of time, as the case may be.

(4) Unless expressly agreed otherwise under this Agreement, the Agent shall calculate all fees and interest, including without limitation standby fees and agency fees. For greater certainty all such calculations shall be without duplication of any day such that neither interest nor fees shall be calculated in respect of the same day twice.

(5) Notwithstanding anything herein to the contrary, in no event shall any interest rate or rates referred to herein (together with other fees payable hereunder which are construed by a court of competent jurisdiction to be interest or in the nature of interest) exceed the maximum interest rate permitted by Applicable Law. If such maximum interest rate would be exceeded by the terms hereof, the rates of interest payable hereunder shall be reduced to the extent necessary so that such rates (together with other fees which are construed by a court of competent jurisdiction to be interest or in the nature of interest) equal the maximum interest rate permitted by Applicable Law, and any overpayment of interest received by the Agent or the Lenders theretofore shall be applied, forthwith after determination of such overpayment, to pay all then outstanding interest, and thereafter to pay outstanding principal, as if the same were a prepayment of principal and treated accordingly hereunder.

(6) THE BORROWER FOR AND ON BEHALF OF ITSELF AND EACH OBLIGOR CONFIRMS THAT IT FULLY UNDERSTANDS AND IS ABLE TO CALCULATE THE RATE OF INTEREST APPLICABLE TO THE CREDIT FACILITIES BASED ON THE METHODOLOGY FOR CALCULATING PER ANNUM RATES PROVIDED FOR IN THIS AGREEMENT. The Agent agrees that if requested in writing by the Borrower it will calculate the nominal and effective per annum rate of interest on the Revolving Facility outstanding at the time of such request and provide such information to the Borrower promptly following such request; provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve the Borrower or any other Obligor of any of its Obligations under this Agreement or any other Loan Document, nor result in any liability to the Agent or any Lender. THE BORROWER FOR AND ON BEHALF OF ITSELF AND EACH OBLIGOR HEREBY IRREVOCABLY AGREES NOT TO PLEAD OR ASSERT, WHETHER BY WAY OF DEFENCE OR OTHERWISE, IN ANY PROCEEDING RELATING TO THE LOAN DOCUMENTS, THAT THE INTEREST PAYABLE UNDER THE LOAN DOCUMENTS AND THE CALCULATION THEREOF HAS NOT BEEN ADEQUATELY DISCLOSED TO THE BORROWER AND THE OBLIGORS, WHETHER PURSUANT TO SECTION 4 OF THE INTEREST ACT (CANADA) OR ANY OTHER APPLICABLE LAW OR LEGAL PRINCIPLE.

1.09 Terms Generally

The definitions of terms herein 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 “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein (including this Agreement) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and permitted assigns, (c) 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, (d) unless otherwise expressly stated, all references in this Agreement to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time 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.

1.10 Quebec Interpretation

For purposes of any assets, liabilities or entities located in the Province of Québec and for all other purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of the Province of Québec or a court or tribunal exercising jurisdiction in the Province of Québec, (a) “personal property” shall include “movable property”, (b) “real property” or “real estate” shall include “immovable property”, (c) “tangible property” shall include “corporeal property”, (d) “intangible property” shall include “incorporeal property”, (e) “security interest”, “mortgage” and “lien” shall include a “hypothec”, “right of retention”, “prior claim” and a resolutory clause, (f) all references to filing, perfection, priority, remedies, registering or recording under the Uniform Commercial Code or a Personal Property Security Act shall include publication under the Civil Code of Québec, (g) all references to “perfection” of or “perfected” liens or security shall include a reference to an “opposable” or “set up” lien or security as against third parties, (h) any “right of offset”, “right of setoff” or similar expression shall include a “right of compensation”, (i) “goods” shall include “corporeal movable property” other than chattel paper, documents of title, instruments, money and securities, (j) an “agent” shall include a “mandatary”, (k) “construction liens” shall include “legal hypothecs”; (l) “joint and several” shall include “solidary”; (m) “gross negligence or willful misconduct” shall be deemed to be “intentional or gross fault”; (n) “beneficial ownership” shall include “ownership on behalf of another as mandatary”; (o) “easement” shall include “servitude”; (p) “priority” shall include “prior claim”; (q) “survey” shall include “certificate of location and plan”; (r) “state” shall include “province”; (s) “fee simple title” shall include “absolute ownership”; (t) “accounts” shall include “claims”. The parties hereto confirm that it is their wish that this Agreement and any other document executed in connection with the transactions contemplated herein be drawn up in the English language and that all other documents contemplated thereunder or relating thereto, including notices, may also be drawn up in the English language. *Les parties aux présentes confirment leur volonté que cette convention et les autres documents de crédit y relatifs soient rédigés en langue anglaise et que tous les documents, y compris tous avis envisagés par cette convention et les autres documents peuvent être rédigés en langue anglaise.*

1.01 Effect of Amendment and Restatement of Existing Credit Agreement

The Existing Credit Agreement shall be amended and restated in its entirety as of the Closing Date upon satisfaction of the conditions precedent set forth in Section 3.01. The parties hereto acknowledge and agree that (a) this Agreement and the other agreements, documents and instruments executed and delivered in connection herewith do not constitute a novation or termination of the Obligations, (b) the Obligations are in all respects continuing (as amended and restated hereby), (c) the Encumbrances as granted under the Loan Documents securing payment of Obligations, and the Guarantees guaranteeing payment of the Obligations, are in all respects continuing and in full force and effect and secure the payment of Obligations (including, for greater certainty, those Obligations which any Obligor has from time to time incurred or may incur or be under to the Agent or any Lender under, in connection with or with respect to this Agreement and the other Loan Documents to which such Obligor is a party and any ultimate unpaid balance thereof), (d) upon the effectiveness of this Agreement, unless otherwise expressly stated herein, all (i) Advances (as defined in the Existing Credit Agreement) outstanding under the Existing Credit Agreement immediately before the effectiveness of this Agreement will continue as Advances made hereunder, any outstanding Letter of Credit under the Existing Credit Agreement will be deemed to have been issued as a Letter of Credit hereunder on the terms and conditions set forth in this Agreement.

1.02 Schedules

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

- Schedule A. – Lenders and Commitments
- Schedule B. – Notice of Request for Advance
- Schedule C. – Repayment Notice
- Schedule D. – Compliance Certificate
- Schedule E. – Borrowing Base Certificate
- Schedule F. – Guarantors, Excluded Subsidiaries
and Immaterial Subsidiaries
- Schedule G. – Assignment and Assumption
- Schedule H. – Loan Pricing Corporation Information
- Schedule 9.01(9) – Litigation
- Schedule 9.01(13) – Description of Real Property
- Schedule 9.01(14) – Insurance Policies
- Schedule 9.01(18) – Corporate Structure
- Schedule 9.01(19) – Relevant Jurisdictions
- Schedule 9.01(20) – Intellectual Property
- Schedule 9.01(21) – Material Contracts and Material Licences
- Schedule 9.01(28) – Non-Arm's Length Transactions

ARTICLE 2 – THE CREDIT FACILITIES

2.01 Revolving Facility

Subject to the terms and conditions of this Agreement, the Lenders establish (on a several and not joint or joint and several basis) in favour of the Borrower a revolving credit facility (the “**Revolving Facility**”) in an amount (including Advances made in United States Dollars and the Equivalent Amount in United States Dollars of Advances made in Canadian Dollars) not to exceed the Revolving Facility Limit.

2.02 Reserved.

2.03 Reserved.

2.04 Purpose of Revolving Facility

Advances under the Revolving Facility shall only be used by the Borrower for general corporate purposes, including working capital requirements, provided that Advances under the Revolving Facility shall not be used to make any payment in respect of the Advantech Order.

2.05 Revolving Facility Limit

The Revolving Facility Limit shall be adjusted as at the date of each receipt by the Agent of a Borrowing Base Certificate and shall remain in effect until receipt by the Agent of a subsequent Borrowing Base Certificate. The Lenders shall have no obligation to make any subsequent Advance under the Revolving Facility should a Borrowing Base Certificate not be delivered on or before the date required under this Agreement pursuant to Section 10.03(1). The Lenders shall have no obligation to make any portion of an Advance under the Revolving Facility to the extent that after making such Advance, the outstanding Advances under the Revolving Facility would exceed the Revolving Facility Limit then in effect.

2.06 Manner of Borrowing

(1) The Borrower may, subject to the terms hereof, make Drawdowns and Conversions as applicable under the Revolving Facility in United States Dollars, by way of US Base Rate Advances and in Canadian Dollars, by way of Prime Rate Advances, and Letters of Credit in US Dollars, Canadian Dollars and such other currencies agreed to by the Issuing Lender. The Borrower shall have the option, subject to the terms and conditions hereof, to determine which types of Advances shall be drawn down and in which combinations or proportions.

(2) Letters of Credit may not exceed an aggregate face value of Cdn.\$2,000,000.

2.07 Nature of the Revolving Facility

Subject to the terms and conditions hereof, the Revolving Facility is a revolving credit and, accordingly, the Borrower may increase or decrease Advances under the Revolving Facility by making Drawdowns, repayments and further Drawdowns of the amount of Advances that have been repaid.

2.08 Drawdowns and Conversions

(1) Subject to the provisions of this Agreement, the Borrower may (i) make Drawdowns hereunder; (ii) convert the whole or any part of any type of Advance into any other type of Advance; or (iii) may extend Letters of Credit in accordance with their terms, by giving the Agent a Drawdown Notice or Conversion Notice, as the case may be.

(2) In the case of a Drawdown or Conversion, the Borrower shall give the Agent a Drawdown Notice or Conversion Notice, as the case may be, three (3) Business Days (in the case of Letters of Credit), and one (1) Business Day (in the case of all other Advances) prior to the proposed Drawdown Date or Conversion Date, as the case may be.

(3) Each Drawdown Notice or Conversion Notice, as the case may be, shall be delivered by the Borrower on a Business Day on or prior to 12:00 noon. (Toronto time) to the Agent.

(4) Each Drawdown or Conversion under the Revolving Facility shall (i) in the case of Prime Rate Advances, be in a minimum principal amount of Cdn.\$500,000 and in each case whole multiples of Cdn.\$100,000; and (ii) in the case of US Base Rate Advances, be in a minimum principal amount of US\$500,000 and in whole multiples of Cdn.\$100,000.

(5) If the Borrower fails to specify a type of Advance in a Drawdown Notice or fails to give a timely notice requesting a Conversion, then the applicable Advances shall be made as, or converted to, Prime Rate Advances in the case of Canadian Dollar denominated Advances, and US Base Rate Advances in the case of US Dollar denominated Advances. For the avoidance of doubt, the Borrower and Lenders acknowledge and agree that any Conversion of an existing Advance shall be deemed to be a continuation of that Advance with a converted interest rate methodology and not a new Advance.

2.09 Agent's Obligations with Respect to Advances

Upon receipt of a Drawdown Notice or Conversion Notice, as the case may be, the Agent shall forthwith notify the Lenders of the proposed Drawdown Date or Conversion Date, as the case may be, of each Lender's Proportionate Share of such Advance and, if applicable, the account of the Agent to which each Lender's Proportionate Share is to be credited.

2.10 Lenders' and Agent's Obligations with Respect to Advances

Each Lender shall, prior to noon (Toronto time) on the Drawdown Date or Conversion Date, as the case may be, specified by the Borrower in a Drawdown Notice or Conversion Notice, as the case may be, credit the Agent's account specified in the Agent's notice given under Section 2.09 with such Lender's Proportionate Share of such Advance and by noon (Toronto time) on the same date the Agent shall make available the full amount of the amounts so credited to the Borrower.

2.11 Irrevocability

A Drawdown Notice or Conversion Notice, as the case may be, given by the Borrower hereunder shall be irrevocable and shall oblige the Borrower to take the action contemplated on the date specified therein.

2.12 Cancellation or Permanent Reduction of the Revolving Facility

The Borrower may, at any time, upon giving at least five (5) Business Days prior notice to the Agent, cancel in full or, from time to time, permanently reduce in whole or in part the Revolving Facility; provided, however that any reduction shall be in a minimum amount of Cdn.\$1,000,000 and increments of Cdn.\$500,000 thereafter. If the Revolving Facility is so reduced, the Commitments of each of the Lenders, shall be reduced *pro rata* in the same proportion that the amount of the reduction in the Revolving Facility, bears to the then current Commitments of the Lenders in effect immediately prior to such reduction.

2.13 Reserved.

2.14 Reserved.

2.15 Reserved.

2.16 Reserved.

2.17(A) Reserved.

ARTICLE 3– DISBURSEMENT CONDITIONS

3.01 Conditions Precedent to Amendment and Restatement

This Agreement shall be effective, the Existing Credit Agreement shall be amended and restated in the form of this Agreement as herein provided, and the obligations of the Lenders under this Agreement are subject to and conditional upon the following conditions precedent being satisfied as of the Closing Date:

- (a) this Agreement shall have been executed and delivered by all parties hereto;
- (b) the confirmation of Security and other Loan Documents shall have been fully executed and delivered, each in form and substance satisfactory to the Agent (acting reasonably);
- (c) the Agent shall have received certified copies of the Organizational Documents of each Obligor, the resolutions authorizing the execution, delivery and performance of each Obligor's respective obligations under the Loan Documents and the transactions contemplated herein, and the incumbency of the officers and directors of the Obligors;

- (d) copies of all other shareholder agreements and partnership agreements, if any, applicable to each Obligor, certified by such Obligor to be true, shall have been delivered to the Agent;
- (e) a currently dated letter of opinion of the Borrower's Counsel along with the opinions of local counsel satisfactory to Lenders and Lenders' Counsel shall have been delivered to the Agent;
- (f) certificates of status or good standing, as applicable, for all Relevant Jurisdictions of each Obligor set forth in Schedule 9.01(19) shall have been delivered to the Agent;
- (g) the ownership, capital, corporate, tax, corporate governance, organizational and legal structure of the Borrower and related parties shall be satisfactory to the Agent;
- (h) satisfactory completion of financial and legal due diligence of the Borrower and its Subsidiaries;
- (i) receipt of all regulatory, securities and/or third party consents and/or approvals necessary to enter into the Loan Documents and on terms, satisfactory to the Agent;
- (j) no Material Adverse Change shall have occurred since the date of the Borrower's most recent annual audited financial statements, as determined by the Agent acting reasonably;
- (k) payment to the Agent and the Lenders of all fees owing pursuant to this Agreement due and payable on the Closing Date;
- (l) payment of all amounts and reasonable fees (including reasonable fees of Lenders' Counsel and local counsel) payable to the Agent;
- (m) all representations and warranties contained in this Agreement shall be true and correct;
- (n) no Default or Event of Default has occurred;
- (o) the Agent shall have received such additional evidence, documents or undertakings as the Lenders shall reasonably request to establish the consummation of the transactions contemplated hereby and be satisfied, acting reasonably, as to the taking of all proceedings in connection herewith in compliance with the conditions set forth in this Agreement; and
- (p) a certificate signed by a responsible officer of the Borrower certifying as to the matters set forth in Section 3.01(j), (m) and (n) hereof.

provided that all documents delivered pursuant to this Section 3.01 shall be in full force and effect, and in form and substance satisfactory to the Lenders acting reasonably.

The execution and delivery of this Agreement by all parties hereto and the funding of the Drawdowns on the Closing Date shall be conclusive evidence that the conditions set forth above have been conclusively satisfied (or waived).

3.02 Conditions Precedent to Subsequent Advances

The obligation of the Lenders to make any Advance after the Closing Date is subject to and conditional upon the following conditions precedent being satisfied by the Borrower:

- (a) the Agent shall have received timely notice as required under Section 2.08(2);
- (b) the representations and warranties pursuant to Section 9.01 are deemed to be repeated and continue to be true and correct as if made on and as of the Drawdown Date except to the extent that such representations and warranties relate specifically to an earlier date;
- (c) no Material Adverse Change shall have occurred since the date of the Borrower's most recent annual audited financial statements;
- (d) the aggregate principal amount outstanding under the Revolving Facility will not exceed the Revolving Facility Limit after giving effect to the proposed Advance; and
- (e) no Default or Event of Default has occurred and is continuing on the Drawdown Date or would result from making the Advance.

3.03 Waiver

The conditions set forth in Sections 3.01 and 3.02 are inserted for the sole benefit of the Lenders and may be waived by the Lenders in accordance with the terms of Section 14.14, in whole or in part (with or without terms or conditions), in respect of any Drawdown without prejudicing the right of the Lenders at any time to assert such conditions in respect of any subsequent Drawdown.

ARTICLE 4 – EVIDENCE OF DRAWDOWNS

4.01 Account of Record

The Agent shall open and maintain books of account evidencing all Advances and all other amounts owing by the Borrower to the Lenders hereunder. The Agent shall enter in the foregoing accounts details of all amounts from time to time owing, paid or repaid by the Borrower hereunder. The information entered in the foregoing accounts shall constitute *prima facie* evidence of the obligations of the Borrower to the Lenders hereunder with respect to all Advances and all other amounts owing by the Borrower to the Lenders hereunder. After a request by the Borrower,

the Agent shall promptly advise the Borrower of such entries made in the Agent's books of account.

ARTICLE 5 – PAYMENTS OF INTEREST AND FEES

5.01 Interest on Prime Rate Advances

The Borrower shall pay interest on each Prime Rate Advance during each Interest Period applicable thereto in Canadian Dollars at a rate per annum equal to the sum of (i) the Prime Rate in effect from time to time during such Interest Period plus (ii) the Prime Rate Margin. Each determination by the Agent of the Prime Rate and the Prime Rate Margin applicable from time to time shall, in the absence of manifest error, be binding upon the Borrower. Subject to Section 5.07 and Section 5.08, such interest shall be payable in arrears on each Interest Payment Date for such Advance for the period from and including the Drawdown Date or the preceding Conversion Date or Interest Payment Date, as the case may be, for such Advance to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the Prime Rate Advance outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be. Changes in the Prime Rate shall cause an immediate adjustment of the interest rate applicable to such Advance without the necessity of any notice to the Borrower.

5.02 Interest on US Base Rate Advances

The Borrower shall pay interest on each US Base Rate Advance during each Interest Period applicable thereto in United States Dollars at a rate per annum equal to the sum of (i) the US Base Rate in effect from time to time during such Interest Period plus (ii) the US Base Rate Margin. Each determination by the Agent of the US Base Rate and the US Base Rate Margin applicable from time to time shall, in the absence of manifest error, be binding upon the Borrower. Subject to Section 5.07 and Section 5.08, such interest shall be payable in arrears on each Interest Payment Date for such Advance for the period from and including the Drawdown Date or the preceding Conversion Date or Interest Payment Date, as the case may be, for such Advance to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the US Base Rate Advance outstanding during such period and on the basis of the actual number of days elapsed divided by 365 or 366, as applicable. Changes in the US Base Rate shall cause an immediate adjustment of the interest rate applicable to such Advance without the necessity of any notice to the Borrower.

5.03 Reserved.

5.04 Reserved.

5.05 No Set-Off, Deduction etc.

Except with respect to Taxes (which are governed by Section 15.02), all payments (whether interest or otherwise) to be made by the Borrower or any other party pursuant to this Agreement are to be made in freely transferable, immediately available funds and without set-off or deduction of any kind whatsoever (whether for deemed re-investment or otherwise) except to the extent required by Applicable Law, and if any such set-off or deduction is so required and is

made, the Borrower or any other party will, as a separate and independent obligation to each Lender, be obligated to immediately pay to each Lender all such additional amounts as may be required to fully indemnify and save harmless such Lender from such set-off or deduction and will result in the effective receipt by such Lender of all the amounts otherwise payable to it in accordance with the terms of this Agreement.

5.06 Fees

(a) *Standby Fees* The Borrower shall pay to the Agent for the account of the Lenders in accordance with their Proportionate Share a standby fee in Canadian Dollars calculated at the rate per annum specified as the applicable “Standby Fee Rate” in the table contained in the definition of “Applicable Margin” on the amount by which the average of the outstanding balance of all Advances under the Revolving Facility as at the end of each day during such month is less than the Aggregate Revolving Commitment (which, for greater certainty, is Cdn.\$15,000,000 as of the Closing Date). The standby fee shall be determined daily beginning on the date hereof and shall be calculated on the basis of a calendar year of 365 or 366 days, as the case may be, and shall be payable by the Borrower monthly in arrears on the first Business Day of each subsequent month

(1) *Extension Fee.* The Borrower shall pay to the Agent an extension fee in the amount of \$30,000 on the Closing Date, which the Borrower acknowledges and agrees shall be fully earned when paid.

5.07 Overdue Principal and Interest

(1) If all or part of any Prime Rate Advance or US Base Rate Advance shall not be paid when due (whether at its stated maturity, by acceleration or otherwise), such overdue amount shall bear interest (as well after as before judgment), payable on demand, at a rate per annum equal to the Late Payment Rate.

(2) If all or part of any interest in respect of any Prime Rate Advance or US Base Rate Advance shall not be paid when due (whether at its stated maturity, by acceleration or otherwise), such overdue interest shall, to the extent permitted by law, bear interest (as well after as before judgment), payable on demand, at a rate per annum equal to the Late Payment Rate.

5.08 Interest on Other Amounts

Upon the occurrence of, and during the continuance of, an Event of Default and at the election of the Majority Lenders, if any amount owed by the Borrower to the Agent or any Lender under any of the Loan Documents is not paid when due and payable, and there is no other provision in any Loan Document specifying the interest payable on such overdue amount, such overdue amount shall bear interest (as well after as before judgment), payable (a) on demand at a rate per annum equal at all times to the Prime Rate, plus the Prime Rate Margin plus 5% (in the case of any such amount payable in any currency other than US Dollars), and (b) on demand at a rate per annum equal at all times to the US Base Rate plus the US Base Rate Margin plus 5% (in the case of any such amount payable in US Dollars), in each such case from the date of non-payment until paid in full.

ARTICLE 6 – LETTERS OF CREDIT

6.01 Letters of Credit

(1) If the Borrower wishes to request an Advance by way of issuance of Letters of Credit, the Borrower shall, at the time it delivers the notice required pursuant to Section 2.08(2), execute and deliver the Issuing Lender's usual documentation relating to the issuance and administration of Letters of Credit (including, without limitation, all reimbursement and indemnity agreements). In the event of any inconsistency between the terms of such documentation and this Agreement, the terms of this Agreement shall prevail.

(2) Each request for a Letter of Credit shall be made available by the Issuing Lender under the Revolving Facility.

(3) No Letter of Credit may be issued for a period in excess of one year (provided that annually renewable Letters of Credit may be issued, subject to agreement of the Issuing Lender, with a final expiry date 5 Business Days prior to the Maturity Date). Letters of Credit may be used by the Borrower for general commercial purposes, and may not, for greater certainty, be used to guarantee obligations of Persons who are not Obligor.

(4) If, at any time, a demand for payment (the amount so demanded being herein referred to as a "relevant amount") is made under a Letter of Credit, then:

- (a) the Issuing Lender shall notify the Agent who shall:
 - (i) promptly notify the Borrower and each of the other Lenders of such demand; and
 - (ii) make demand on each Lender for an amount equal to its Proportionate Share of such relevant amount which demand shall constitute a deemed Prime Rate Advance or US Base Rate Advance, as applicable, to the Borrower without the requirement of any further action on the part of the Borrower; and
- (b) the Issuing Lender shall pay the amount demanded to the Person entitled thereto on the date upon which such amount becomes payable under the Letter of Credit.

(5) Where a demand for payment is made under a Letter of Credit issued in Canadian Dollars, the Borrower shall be deemed to have requested a Prime Rate Advance of the amount demanded pursuant to the Revolving Facility. Where a demand for payment is made under a Letter of Credit issued in US Dollars, the Borrower shall be deemed to have requested a US Base Rate Advance of the amount demanded pursuant to the Revolving Facility. Where a demand for payment is made under a Letter of Credit issued in any other currency, the Borrower shall be deemed to have requested a Prime Rate Advance in the Equivalent Amount of Canadian Dollars to the amount demanded from the Issuing Lender. In each case payment will be made by the

Borrower of all charges and expenses payable to or incurred by the Issuing Lender and the Lenders in connection with payment being made under such Letter of Credit. All fees payable in connection with a Letter of Credit shall be made in the currency of such Letter of Credit unless such Letter of Credit is not in Cdn. Dollars or US Dollars in which case such fees shall be paid in United States Dollars.

(6) The Borrower hereby undertakes to indemnify and hold harmless the Issuing Lender and each of the Lenders from time to time on demand by the Agent from and against all liabilities and costs (including, without limitation, any costs incurred in funding any amount which falls due from the Agent and any Lender under any Letter of Credit hereunder) to the extent that such liabilities or costs are not satisfied or compensated by the payment of interest on sums due pursuant to this Agreement in connection with any Letter of Credit except where such liabilities or costs result from the negligence or wilful misconduct of the person claiming indemnification.

(7) The Issuing Lender shall at all times be entitled, and is irrevocably authorized by the Borrower, to make any payment under the Letters of Credit for which a request or demand has been made in the required form without any further reference to the Borrower and any investigation or enquiry, need not concern itself with the propriety or validity of any claim made or purported to be made under the terms of such Letter of Credit (except as to compliance with the payment conditions of such Letters of Credit) and shall be entitled to assume that any Person expressed in such Letter of Credit as being entitled to make demand or receive payments thereunder is so entitled. Accordingly, so long as a request or demand has been made as aforementioned it shall not be a defence to any demand made of the Borrower hereunder, nor shall the Borrower or its obligations hereunder be impaired by the fact (if it be the case) that the Issuing Lender or the Lenders were or might have been justified in refusing payment, in whole or in part, of the amounts so claimed.

(8) A certificate of the Agent as to the amounts paid by any Lender pursuant to this Section 6.01 or the amount paid out under any Letter of Credit shall, in the absence of manifest error, be *prima facie* evidence of the existence and amount of such payment in any legal action or proceeding arising out of or in connection herewith.

(9) For so long as any Letter of Credit is outstanding, the Borrower shall pay to the Agent on behalf of the Lenders (which fee shall be paid by the Agent to the Lenders based on their Proportionate Share) a fee equal to the Letter of Credit Fee Rate on the amount of each Letter of Credit or, as applicable, on the Equivalent Amount of Canadian Dollars thereof, quarterly in arrears on the first Business Day of such Fiscal Quarter, beginning on the date of issuance of such Letter of Credit. The minimum fee for the issuance of a Letter of Credit shall be US\$250 or Cdn.\$250, as the case may be. In addition, the Borrower shall also pay to the Issuing Lender a fronting fee equal to 0.125% per annum on the face amount of each Letter of Credit in the currency of such Letter of Credit (unless not in Cdn. Dollars or US Dollars, in which case shall be in the Equivalent Amount of Cdn. Dollars) on the date of issuance and renewal of such Letter of Credit; provided that no such fee shall be payable when there is only one Lender. Such fees shall each be calculated on the basis of a calendar year and the number of days the Letter of Credit will be outstanding during such period. The Borrower shall also pay the standard fees and charges of the Issuing Lender in effect from time to time for issuing, renewing and amending Letters of Credit.

(10) The full face amount of each Letter of Credit issued by the Issuing Lender on behalf of the Borrower shall be deemed to be an Advance under the Revolving Facility which Advance shall be retired upon the earlier of:

- (i) the return of the Letter of Credit to the Issuing Lender for cancellation;
- (ii) the expiration date of the Letter of Credit; or
- (iii) the deeming of the amount drawn on the Letter of Credit to be a Prime Rate Advance or a US Base Rate Advance, as applicable, under the Revolving Facility.

(11) If any Letter of Credit is outstanding upon the occurrence of an Event of Default or on the Maturity Date, the Borrower shall if required by the Lenders forthwith pay to the Agent an amount (the “**deposit amount**”) equal to the undrawn principal amount of the outstanding Letter of Credit, which deposit amount shall be held by the Agent for application against the indebtedness owing by the Borrower in respect of any draw on the outstanding Letter of Credit. In the event that the Agent is not called upon to make full payment on the outstanding Letter of Credit prior to its expiry date, the deposit amount, or any part thereof as has not been paid out, shall, so long as no Event of Default then exists, be returned to the Borrower.

(12) The obligations of the Borrower with respect to Letters of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

- (i) any lack of validity or enforceability of any Loan Document or the Letters of Credit;
- (ii) any amendment or waiver of or any consent to or actual departure from this Agreement;
- (iii) the existence of any claim, set-off, defence or other right which the Borrower may have at any time against any beneficiary or any transferee of a Letter of Credit (or any Persons for which any such beneficiary or any such transferee may be acting), the Issuing Lender or any other Person or entity, whether in connection with this Agreement, the transactions contemplated herein or in any other agreements or any unrelated transactions;
- (iv) any statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect except for non-compliance with the payment conditions of such Letter of Credit; or
- (v) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

(13) The Borrower hereby indemnifies and agrees to hold the Issuing Lender harmless from all losses, damages, costs, demands, claims, expenses (including out-of-pocket expenses) and other consequences which the Issuing Lender may incur, sustain or suffer, other than as a result of its own negligence or wilful misconduct, as a result of issuing or amending a Letter of Credit, including legal and other expenses incurred by the Issuing Lender in any action to compel payment by the Issuing Lender under a Letter of Credit or to restrain the Issuing Lender from making payment under a Letter of Credit. Any amounts due under this indemnity shall form part of the Obligations.

It is understood and agreed that the Issuing Lender shall not have any liability for, and that the Borrower assumes all responsibility for: (i) the genuineness of any signature; (ii) the form, validity, genuineness, falsification and legal effect of any draft, certification or other document required by a Letter of Credit or the authority of the Person signing the same; (iii) the failure of any instrument to bear any reference or adequate reference to a Letter of Credit or the failure of any Persons to note the amount of any instrument on the reverse of a Letter of Credit or to surrender a Letter of Credit; (iv) the good faith or acts of any Person other than the Issuing Lender and its agents and employees; (v) the existence, form or sufficiency or breach or default under any agreement or instruments of any nature whatsoever; (vi) any delay in giving or failure to give any notice, demand or protest; and (vii) any error, omission, delay in or non-delivery of any notice or other communication, however sent, provided that the foregoing provisions do not extend to the failure by the Issuing Lender to comply with the payment conditions contained in the Letter of Credit. The determination as to whether the required documents are presented prior to the expiration of a Letter of Credit and whether such other documents are in proper and sufficient form for compliance with a Letter of Credit shall be made by the Issuing Lender in its sole discretion, which determination shall be conclusive and binding upon the Borrower absent manifest error. It is agreed that the Issuing Lender may honour, as complying with the terms of a Letter of Credit and this Agreement, any documents otherwise in order and signed or issued by the beneficiary thereof. Any action, inaction or omission on the part of the Issuing Lender under or in connection with the Letters of Credit or any related instruments or documents, if in good faith and in conformity with such laws, regulations or commercial or banking customs as the Issuing Lender may reasonably deem to be applicable, shall be binding upon the Borrower, and shall not affect, impair or prevent the vesting of the Issuing Lender's rights or powers hereunder or the Borrower's obligation to make full reimbursement of amounts drawn under the Letters of Credit. Notwithstanding the provision of this Section 6.01(13), the Borrower shall not be responsible for and no Person shall be relieved of responsibility for any gross negligence or wilful misconduct of such Person.

(14) Applicability of ISP and UCP. Unless otherwise expressly agreed by the applicable Issuing Lender and the Borrower when a Letter of Credit is issued, (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance, shall apply to each commercial Letter of Credit.

(15) Resignation or Termination of an Issuing Lender. So long as there are other Issuing Lenders or a replacement Issuing Lender reasonably acceptable to the Borrower has been identified and has agreed to assume the responsibilities of an Issuing Lender hereunder, any Issuing Lender may resign as a Letter of Credit issuer upon thirty (30) days' prior written notice to the Agent, the

applicable Lenders and the Borrower. In addition, the Borrower may terminate the appointment of any Issuing Lender as an “Issuing Lender” hereunder by providing a written notice thereof to such Issuing Lender, with a copy to the Agent. Any such termination by the Borrower shall become effective upon the earlier of (i) such Issuing Lender’s acknowledging receipt of such notice and (ii) the fifth (5th) Business Day following the date of the delivery thereof; provided that no such termination shall become effective until and unless the sum of (x) the aggregate amount of all disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time plus (y) the aggregate amount that remains available for drawing at such time in respect of all such Letters of Credit issued by such Issuing Lender (or its Affiliates) shall have been reduced to zero. At the time any such termination or resignation shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the terminated or retiring Issuing Lender pursuant to Section 6.01(9). Notwithstanding the effectiveness of any such termination or resignation, the terminated or retiring Issuing Lender shall continue to have all the rights of an Issuing Lender under this Agreement with respect to Letters of Credit issued by it prior to such termination or resignation, but shall not issue any additional Letters of Credit (or amend, renew or extend existing Letters of Credit) or be deemed an Issuing Lender for any other purpose.

ARTICLE 7 – REPAYMENT

7.01 Mandatory Repayment of Principal – Revolving Facility

(1) If at any time the Equivalent Amount in Canadian Dollars of all Advances under the Revolving Facility exceeds the Aggregate Revolving Commitments, then the Borrower shall forthwith first repay Advances under the Revolving Facility by the amount of such excess.

(2) Subject to the terms hereof, the Borrower shall repay all Obligations that it owes in connection with the Revolving Facility, including the outstanding principal amount of all Advances thereunder together with all accrued interest, fees and other amounts then unpaid by it with respect to such Advances (which, for greater certainty, shall include all amounts payable by the Borrower to the Agent under Section 6.01(11) with respect to Letters of Credit outstanding on the Maturity Date) in full on the Maturity Date, and the Revolving Facility and the Commitments thereunder shall be automatically terminated on the Maturity Date.

7.02 Reserved.

7.03 Voluntary Repayments and Reductions

(1) Subject to the Agent receiving a Repayment Notice which shall be given not less than one (1) Business Day prior to the proposed repayment date for Prime Rate Advances and US Base Rate Advances and which shall be irrevocable, the Borrower may from time to time repay Advances outstanding under the Revolving Facility without premium, penalty or bonus provided that each such repayment shall, in the case of the Revolving Facility, be in a minimum aggregate amount of US\$250,000 and in whole multiples of US\$100,000 for Advances denominated in United States Dollars and in a minimum aggregate amount of Cdn.\$250,000 and in whole multiples of Cdn\$100,000 for Advances denominated in Canadian Dollars Notwithstanding the foregoing, Letters of Credit may not be repaid prior to their respective maturity or expiry dates but

may be cash collateralized along with delivery of such documentation as may be required by the Agent as specified in Section 7.09.

7.04 Mandatory Repayments from Additional Debt

(1) If the Borrower or any of its Subsidiaries incurs Debt other than Permitted Debt, the proceeds thereof (net of reasonable, *bona fide* direct transaction fees, costs and expenses incurred in connection therewith) shall be paid by the Borrower (irrespective of whether a Subsidiary incurred such Debt) to the Agent no later than two (2) Business Days following the incurrence of such Debt and shall be applied in permanent repayment of outstanding Obligations.

7.05 Mandatory Repayments on Additional Equity Financings

If, where any Additional Equity Financing (other than Excluded Issuances) occurs at any time, an amount equal to the proceeds of such Additional Equity Financing (net of reasonable, *bona fide* direct transaction fees, costs and expenses incurred pursuant to effecting such Additional Equity Financing) shall be paid by the Borrower (irrespective as to which Obligor has completed the Additional Equity Financing) to the Agent no later than two (2) Business Days following the closing of the transaction under which such Additional Equity Financing occurs and shall be applied in permanent repayment of outstanding Obligations in accordance with Section 7.08.

7.06 Mandatory Repayment on Dispositions

If any Obligor makes Dispositions resulting in Net Proceeds, an amount equal to such shall be paid by the Borrower (irrespective as to which Obligor made the Disposition) to the Agent within five (5) Business Days after the closing of the transaction under which such Disposition occurs; provided that, the Obligors may, if no Default or Event of Default exists, elect to retain such Net Proceeds provided that an Obligor reinvests such Net Proceeds in additional assets, or if such additional assets are not required by the applicable Obligor in the operation of its business, the general business operations of the applicable Obligor, within one hundred and eighty (180) days after the closing of the transaction under which such Disposition occurs, or if a binding agreement has been entered into within such initial one hundred and eighty (180) days, such reinvestment must be entered into within three hundred and sixty (360) days. If following the one hundred and eighty (180) day period (or three hundred and sixty (360) day period, as the case may be) or upon the occurrence of an Event of Default no Obligor has re-invested such excess Net Proceeds in such additional assets or business operations in accordance with the foregoing, such proceeds shall immediately be paid by the Borrower to the Agent (irrespective as to which Obligor received the Net Proceeds). Any proceeds so paid to the Agent shall be applied in repayment of outstanding Obligations in accordance with Section 7.08.

7.07 Mandatory Repayments from Proceeds of Insurance

(1) If the Obligors receive proceeds of insurance arising from casualty events in respect of any equipment, fixed assets or real property (other than business interruption), an amount equal to such excess proceeds of such insurance shall be paid by the Borrower (irrespective as to which Obligor received such proceeds) to the Agent, within two (2) Business Days after the receipt of such proceeds by an Obligor and shall be applied in permanent repayment of outstanding

Obligations provided that the Agent shall, if requested by an Obligor, not apply the proceeds against outstanding Obligations but will release (at such time and in such intervals as is necessary to enable the Obligor to pay for the replacement, repair or rebuilding of such asset) such excess proceeds to such Obligor if no Default or Event of Default exists, provided that an Obligor reinvests such proceeds in additional assets useful to the business of the Obligor, within one hundred eighty (180) days, or if a binding agreement has been entered into within such initial one hundred and eighty (180) days, such reinvestment must be entered into within three hundred and sixty (360) days. If following such one hundred and eighty (180) day period (or three hundred and sixty (360) day period, as the case may be), no Obligor has reinvested such proceeds in such additional assets, such excess proceeds shall immediately be applied by the Agent against the Obligations. Any proceeds so paid to the Agent shall be applied in permanent repayment of outstanding Obligations in accordance with Section 7.08.

(2) No Obligor shall be entitled to any proceeds of insurance if there exists an Event of Default and forthwith upon the occurrence of an Event of Default all unapplied proceeds of insurance shall, upon notice being given to the Agent, be remitted to the Agent for application against amounts outstanding hereunder.

7.08 Application of Mandatory Prepayments

Mandatory prepayments required under Sections 7.04 to 7.05 shall be applied to principal payments required under the Revolving Facility (without any permanent reduction in the Commitments thereunder).

7.09 Cash Collateral

In connection with each mandatory repayment hereunder in connection with Letters of Credit which are to be repaid prior to their respective maturity or expiry dates, the Borrower shall deposit cash with the Agent (for the benefit of the applicable Lenders) equal to the face amount of such Letters of Credit and shall concurrently deliver to the Agent a cash collateral agreement, supporting resolutions, certificates and opinions in form and substance satisfactory to the Lenders.

7.10 Reserved.

ARTICLE 8– PLACE AND APPLICATION OF PAYMENTS

8.01 Place of Payment of Principal, Interest and Fees

(1) The Borrower undertakes at all times when any Advance is outstanding or any other amount is owed by it under any Loan Document to maintain at the Agent's Payment Branch an account in Cdn. Dollars and an account in US Dollars, which the Agent shall be entitled to debit with such amounts as are from time to time required to be paid by the Borrower under the Loan Documents, as and when such amounts are due. Without in any way limiting the rights of the Agent pursuant to the foregoing, unless otherwise specifically agreed between the Borrower and the Agent, the Borrower hereby directs the Agent to debit the aforesaid accounts with such amounts as are from time to time required to be paid by the Borrower pursuant to this Agreement.

(2) All payments by the Borrower under any Loan Document, unless otherwise expressly provided in such Loan Document, shall be made to the Agent at the Agent's Payment Branch, or at such other location as may be agreed upon by the Agent and the Borrower, for the account of the Lenders entitled to such payment, not later than 2:00 p.m. (Toronto time) for value on the date when due, and shall be made in immediately available funds without set-off or counterclaim.

(3) Unless the Agent shall have been notified by the Borrower not later than 2:00 p.m. (Toronto time) of the Business Day prior to the date on which any payment to be made by the Borrower under a Loan Document is due that the Borrower does not intend to remit such payment, the Agent shall be entitled to assume that the Borrower has remitted or will remit such payment when so due and the Agent may (but shall not be obliged to), in reliance upon such assumption, make available to each applicable Lender on such payment date such Lender's share of such assumed payment. If the Borrower does not in fact remit such payment to the Agent as required by such Loan Document, each applicable Lender shall immediately repay to the Agent on demand the amount so made available to such Lender, together with interest on such amount at the Interbank Reference Rate, in respect of each day from and including the date such amount was made available by the Agent to such Lender to the date such amount is repaid in immediately available funds to the Agent, and the Borrower shall immediately pay to the Agent on demand such amounts as are sufficient to compensate the Agent and the Lenders for all costs and expenses (including, without limitation, any interest paid to lenders of funds without duplication of interest otherwise paid hereunder) which the Agent may sustain in making any such amounts available to the Lenders or which any Lender may sustain in receiving any such amount from, and in repaying any such amount to, the Agent or in compensating the Agent as aforesaid. A certificate of the Agent as to any amounts payable by the Borrower pursuant to the preceding sentence and containing reasonable details of the calculation of such amounts shall be *prima facie* evidence of the amounts so payable.

8.02 Netting of Payments

If, on any date, amounts would be due and payable under this Agreement in the same currency by the Borrower to the Lenders, or any one of them, and by the Lenders, or such Lender, to the Borrower, then, on such date, upon notice from the Agent or such Lender stating that netting is to apply to such payments, the obligations of each such party to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by the Borrower to the Lenders, or such Lender, exceeds the aggregate amount that would otherwise have been payable by the Lenders, or such Lender, to the Borrower or *vice versa*, such obligations shall be replaced by an obligation upon whichever of the Borrower or the Lenders, or such Lender, would have had to pay the larger aggregate amount to pay to the other the excess of the larger aggregate amount over the smaller aggregate amount. For greater certainty, prior to acceleration of repayment pursuant to Section 12.02, this Section 8.02 shall not permit any Lender to exercise a right of set-off, combination or similar right against any amount which the Borrower may have on deposit with such Lender in respect of any amount to which netting is to apply pursuant to this Section 8.02, but shall apply only to determine the net amount to be payable by the Lenders or one of them to the Borrower, or by the Borrower to the Lenders or one of them pursuant to the Loan Documents.

ARTICLE 9 – REPRESENTATIONS AND WARRANTIES

9.01 Representations and Warranties

The Borrower represents and warrants to the Agent and to each of the Lenders and acknowledges and confirms that the Agent and each of the Lenders is relying upon such representations and warranties:

(1) Existence and Qualification Each Obligor (a) has been duly incorporated, established, formed, amalgamated, merged or continued, as the case may be, and is validly subsisting and in good standing as a corporation, company, limited partnership or partnership, under the laws of its jurisdiction of formation, amalgamation, merger or continuance, as the case may be (or in the case of Obligors which are not corporations or companies, has been duly created or established as a partnership or other applicable entity and validly exists under and is in good standing under the laws of the jurisdiction in which it has been created or established), where the failure by any Obligor, individually or together with one or more Obligors, to be in good standing could reasonably be expected to result in a Material Adverse Change, (b) is duly qualified to carry on its business in each jurisdiction in which it carries on business except where the failure by it, individually or together with one or more other Obligors, to be so qualified would not reasonably be expected to result in a Material Adverse Change and (c) has all required Material Licences.

(2) Power and Authority Each Obligor has the corporate, company or partnership power and authority, as the case may be, (a) to enter into, and to exercise its rights and perform its obligations under, the Loan Documents to which it is a party and all other instruments and agreements delivered by it pursuant to any of the Loan Documents and (b) to own its Property and carry on its business as currently conducted and as currently proposed to be conducted by it.

(3) Execution, Delivery, Performance and Enforceability of Documents The execution, delivery and performance of each of the Loan Documents to which any Obligor is a party, and every other instrument or agreement delivered by an Obligor pursuant to any Loan Document, has been duly authorized by all corporate, company or partnership actions required, and each of such documents has been duly executed and delivered by it. Each Loan Document to which any Obligor is a party constitutes the legal, valid and binding obligations of such Obligor, enforceable against such Obligor in accordance with their respective terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity).

(4) Loan Documents Comply with Applicable Laws, Organizational Documents and Contractual Obligations None of the execution or delivery of, the consummation of the transactions contemplated in, or the compliance with the terms, conditions and provisions of any of, the Loan Documents by any Obligor conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under or contravention of, any Requirement of Law, any Obligor's Organizational Documents or any Material Contract or Material Licence, or results or will result in the creation or imposition of any Encumbrance upon any of its Property except for Permitted Encumbrances.

(5) Consent Respecting Loan Documents Each Obligor has obtained, made or taken all consents, approvals, authorizations, declarations, registrations, filings, notices and other actions whatsoever required (including from any Governmental Authority), (except for registrations or filings which may be required in respect of the Security Documents) to enable it to execute and deliver each of the Loan Documents to which it is a party and to consummate the transactions contemplated in the Loan Documents and to consummate the transactions contemplated in such instruments and agreements except where the failure to do so would not result in Material Adverse Change.

(6) Approvals, Licenses and Authorizations The Obligors have all licenses, permits, concessions, certificates, registrations, franchises and other authorizations and approvals of all Governmental Authorities that are material and required or necessary for the Obligors to carry on the Business in all material respects. Each Material Licence is valid, subsisting and in good standing and the Obligors are not in default or breach (except for immaterial breaches that do not allow for a right of termination of such licence) of any Material Licence and, to the knowledge of the Obligor, no proceeding is pending or has been threatened in writing by the applicable Government Authority to revoke or limit any Material Licence.

(7) Taxes Each Obligor has duly and timely filed all tax returns required to be filed by it and has paid or made adequate provision for the payment of all Taxes levied on its Property or income which are showing therein as due and payable, including interest and penalties, or has accrued such amounts in its financial statements for the payment of such Taxes except for Taxes which are not material in amount or which are not delinquent or if delinquent are being contested, and, except, after the date of this Agreement, as is disclosed to the Agent in writing there is no material action, suit, proceeding, investigation, audit or claim now pending, or to its knowledge, threatened by any Governmental Authority regarding any Taxes nor has it or any other Obligor agreed to waive or extend any statute of limitations with respect to the payment or collection of Taxes.

(8) Judgments, Etc. Except as disclosed in Schedule 9.01(9) attached hereto, no Obligor is subject to any material judgment, order, writ, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) which has not been stayed or of which enforcement has not been suspended.

(9) Absence of Litigation Except as disclosed in Schedule 9.01(9) attached hereto, (i) there are no actions, suits or proceedings pending or judgments existing or, to the best of its knowledge and belief, threatened against or affecting any Obligor or its properties which could reasonably be expected to be determined adversely to any Obligor and, if so determined, to result in a Material Adverse Change and (ii) there are no actions, suits or proceeds pending or judgments existing as of the Closing Date that could reasonably be expected to result in a potential liability in excess of Cdn.\$250,000.

(10) Title to Assets Each Obligor has good title to its assets, free and clear of all Encumbrances except Permitted Encumbrances and as of the Closing Date no Person has any agreement or right to acquire an interest in such assets other than in the ordinary course of its business and pursuant to a Permitted Disposition.

(11) Security The Security is effective to create in favour of the Agent, in its capacity as agent for the Lenders, as security for the Obligations described therein, a legal, valid, binding and enforceable security interest in the collateral described therein and proceeds thereof (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity).

(12) Use of Real Property All real property owned or leased by each Obligor may be used in all material respects by such Obligor pursuant to Applicable Law for the present use and operation of the business conducted on such real property by such Obligor. All leased real property (other than leases between Obligors) where the lessor is Non-Arm's Length are on market terms and conditions and, in such case, is on terms which are commercially reasonable.

(13) Description of Real Property Schedule 9.01(13) contains a description as of the Closing Date of (a) all real property owned by each Obligor (including municipal addresses, legal description (to the extent available and only in respect of owned real property), the name of the Obligor that owns such property and a brief description of such property and its use), and (b) all real property leased by each Obligor (including municipal addresses, legal description (to the extent available), the name of the Obligor that leases such property, the name of the landlord, the term and any renewal rights under the applicable lease and a brief description of such property and its use).

(14) Insurance Each Obligor or the Borrower on behalf of itself and all other Obligors maintains insurance which is in full force and effect that complies with all of the requirements of this Agreement. Schedule 9.01(14) lists all existing insurance policies maintained by the Obligors as of the Closing Date.

(15) Labour Relations (i) no Obligor is aware that it is engaged in any unfair labour practice; and there is no unfair labour practice complaint or complaint of employment discrimination pending against any Obligor or threatened against any Obligor, before any Governmental Authority; (ii) no material grievance or arbitration arising out of or under any collective bargaining agreement is pending against any Obligor or threatened against any Obligor; and (iii) no strike, labour dispute, slowdown or material work stoppage is pending against any Obligor or threatened against any Obligor.

(16) Compliance with Laws No Obligor is in default under any Applicable Law or any Applicable Order in any material aspect.

(17) No Default or Event of Default No Default or Event of Default has occurred which is continuing which is known to the Borrower and which has not been disclosed to the Agent.

(18) Corporate Structure The corporate structure of the Borrower and its Subsidiaries (which has been reviewed by Borrower's Counsel) is, as at the Closing Date, as set out in Schedule 9.01(18), which Schedule contains all of the Subsidiaries of the Borrower and all Equity Interest (including percentages of such Equity Interest) held by the Borrower and its Subsidiaries in any other Person. No Person will have an agreement or option or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase,

subscription, allotment or issuance of any unissued shares in the capital of any Obligor (other than the Borrower) except as provided for in Schedule 9.01(18).

(19) Relevant Jurisdictions Schedule 9.01(19) identifies in respect of each Obligor as of the Closing Date, the Relevant Jurisdictions including the full address (including postal code) of such Obligor's chief executive office and all places of business and, if different, the address at which the books and records of such Obligor are located, the address at which senior management of such Obligor are located and conduct their deliberations and make their decisions with respect to the business of such Obligor and the address from which the invoices and accounts of such Obligor are issued.

(20) Intellectual Property Each Obligor has rights sufficient for it to use all the Intellectual Property reasonably necessary for the conduct of its business. All material patents, trade-marks, copyrights or industrial designs which have been either registered or in respect of which a registration application has been filed by it, as at the Closing Date, are listed on Schedule 9.01(20). No Obligor has received any notice of any claim of infringement or similar claim or proceeding relating to any of its Intellectual Property which, if determined against such Obligor, could reasonably be expected to have a Material Adverse Change.

(21) Material Contracts:

- (a) Schedule 9.01(21) accurately sets out, as of the Closing Date, all Material Contracts and Material Licences;
- (b) a true and complete copy of each Material Contract and Material Licence existing at the date hereof has been delivered to the Agent and each Material Contract and Material Licence is in full force and effect;
- (c) no event has occurred and is continuing which would constitute a material breach of or a default under any Material Contract or Material Licence except as disclosed in writing to the Agent; and
- (d) each Material Contract to which an Obligor is a party is binding upon such Obligor and, to its knowledge, is a binding agreement of each other Person who is a party to the Material Contract.

(22) Financial Year End Its financial year end is on December 31.

(23) Financial Information All of the monthly, quarterly and annual financial statements which have been furnished to the Agent and the Lenders, or any of them, in connection with this Agreement are complete in all material respects and such financial statements fairly present in all material respects the results of operations and financial position of the Borrower on a consolidated basis, as of the dates referred to therein and have been prepared in accordance with GAAP (except that such monthly and quarterly financial statements do not include notes and the year-end adjustments that are reflected in the corresponding audit annual financial statements). All other material financial information (including, without limitation, budgets, projections, and EBITDA calculations) provided to the Agent and the Lenders by or on behalf of the Borrower have been

prepared in good faith and are based on assumptions and expectations that the Borrower believes to be reasonable at the time of such preparation.

(24) No Material Adverse Change Since the date of the Borrower's most recent audited or unaudited financial statements provided to the Lenders pursuant to this Agreement, there has been no condition (financial or otherwise), event or change in its business, liabilities, results of operations or assets which constitutes or has, or could reasonably be expected to constitute, or cause, a Material Adverse Change.

(25) Environmental Except as could not reasonably be executed to result in a Material Adverse Change: (a) as of the Closing Date, no Obligor is subject to any civil or criminal proceeding, claim, suit, investigation, notices of violation or notices of potential responsibility relating to any violation of or liability or responsibility under any Environmental Laws and no Obligor is aware of any threatened claim, suit, proceeding or investigation relating to Environmental Laws; (b) each Obligor has all permits, licences, registrations and other authorizations required by the Environmental Laws for the operation of its business and the properties which it owns, leases or otherwise occupies except for those permits, licences, registrations and other authorizations which are not material; (c) each Obligor operates its business and its properties (whether owned, leased or otherwise occupied) in compliance with all applicable Environmental Laws (other than immaterial non-compliance); (d) to the knowledge of the Borrower, as of the Closing Date, none of the Obligors has caused or permitted a release of Hazardous Materials at, on or under any property owned or leased by the Borrower or any of its Subsidiaries; (e) to the knowledge of the Borrower as of the Closing Date, no real property or groundwater in, on or under any property owned or leased by any Obligor is contaminated by any Hazardous Material; and (f) neither the Borrower nor any of its Subsidiaries is undertaking, or has completed, either individually or together with other person, any investigation or response action relating to any actual or threatened release of Hazardous Materials at any location, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any applicable Environmental Law. This Section 9.01(25) contains the sole and exclusive representations and warranties of the Obligors with respect to any matters arising under Environmental Laws or relating to Environmental Liabilities or Hazardous Materials.

(26) Canadian Welfare and Pension Plans Each Obligor has adopted all Canadian Welfare Plans required by Applicable Laws and each of such plans has been maintained and each Obligor is in compliance with such laws in all material respects including, without limitation, all requirements relating to employee participation, funding, investment of funds, benefits and transactions with the Obligors and persons related to them. No Obligor has a material contingent liability with respect to any post-retirement benefit under a Canadian Welfare Plan. With respect to Canadian Pension Plans: (a) no steps have been taken to terminate any Canadian Pension Plan (wholly or in part) which could result in any Obligor being required to make a material additional contribution to any Canadian Pension Plan; (b) no contribution failure has occurred with respect to any Canadian Pension Plan sufficient to give rise to a lien or charge under any applicable pension benefits laws of any other jurisdiction (for certainty, not including payments in respect of contributions payable but not yet due); and (c) no condition exists and no event or transaction has occurred with respect to any Canadian Pension Plan which is reasonably likely to result in any Obligor incurring any material liability, fine or penalty. Each Canadian Pension Plan is in compliance (other than immaterial non-compliance) with all applicable pension benefits and tax

laws; (i) all contributions (other than immaterial amounts) (including employee contributions made by authorized payroll deductions or other withholdings) required to be made to the appropriate funding agency in accordance with all Applicable Laws (other than immaterial non-compliance) and the terms of each pension plan have been made in accordance with all Applicable Laws (other than immaterial non-compliance) and the terms of each Canadian Pension Plan (other than immaterial non-compliance); (ii) all liabilities under each Canadian Pension Plan are funded in accordance with the terms of the respective Canadian Pension Plans, the requirements of applicable pension benefits laws and of applicable regulatory authorities and, as of the Closing Date, there is no accumulated funding deficit with respect to any Canadian Pension Plan and (iii) no event has occurred and no conditions exist with respect to any Canadian Pension Plan that has resulted or could reasonably be expected to result in any Canadian Pension Plan having its registration revoked or refused by any administration of any relevant pension benefits regulatory authority or being required to pay any taxes (other than taxes the amounts of which are immaterial) or penalties under any applicable pension benefits or tax laws.

(27) Insolvency No Obligor (a) has committed any act of bankruptcy, (b) has proposed, or given notice of its intention to propose, a compromise or arrangement to its creditors generally, (c) has any petition for a receiving order in bankruptcy filed against it, made a voluntary assignment in bankruptcy, taken any proceeding with respect to any compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound-up, taken any proceeding to have a receiver appointed of any part of its assets, has had any Encumbrancer take possession of any of its Property. As at the Closing Date, the Borrower and its Subsidiaries are Solvent on a consolidated basis.

(28) Non-Arm's Length Transactions All agreements, arrangements or transactions between any Obligor, on the one hand, and any Affiliate of or other Person not dealing at Arm's Length with such Obligor (other than another Obligor and other than ordinary course arrangements with any employee, management or director of an Obligor), on the other hand, in existence as of the Closing Date are set forth on Schedule 9.01(28).

(29) Debt There exists no Debt of an Obligor that is not Permitted Debt.

(30) Use of Revolving Facility None of the Advances pursuant to the Revolving Facility shall be used for purposes other than as set out in Section 2.04.

(31) Margin Stock Each Obligor is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the US Federal Reserve System) ("**Margin Stock**"), and no part of the proceeds of any Advance or any other extension of credit made hereunder will be used to purchase or carry any such margin stock, to reduce or retire or refinance any credit incurred to purchase or carry any such margin stock or to extend credit to others for the purpose of purchasing or carrying any such margin stock. Margin Stock constitutes less than 25% of the assets of the Borrower and its Subsidiaries which are subject to any limitation on sale, pledge or other restriction hereunder.

(32) Investment Company No Obligor is an "investment company" or a company "controlled" by an "investment company" within the meaning of the *Investment Company Act of 1940* (United States), as amended.

(33) Canadian Pensions No Obligor contributes to a defined benefit pension plan in Canada.

(34) ERISA With respect to each US Pension Plan and except as could not reasonably be expected to result in a Material Adverse Change: (i) each Obligor and each other member of its Controlled Group has fulfilled its obligations under the minimum funding standards of and is in compliance in all respects with ERISA and the Revenue Code to the extent applicable to it, has complied with all funding contributions with respect to any Multiemployer Plan and has not incurred any liability to the PBGC or under Title IV of ERISA, other than a liability to the PBGC for premiums under Section 4007 of ERISA due but not delinquent; (ii) no Reportable Event has occurred and is continuing with respect to any US Pension Plan; (iii) no notice of intent to terminate or partially withdraw from a US Pension Plan has been filed nor has any US Pension Plan been terminated for which liability remains outstanding; (iv) no circumstances exist which would reasonably be expected to constitute grounds entitling the PBGC's to institute proceedings to terminate, amend or appoint a trustee to administer, a US Pension Plan, nor has the PBGC instituted any such proceedings; (v) neither any Obligor nor any member of its Controlled Group has completely or partially withdrawn from a Multiemployer Plan nor has there been any notice or determination that a Multiemployer Plan is or is likely to be insolvent within the meaning of Title IV of ERISA) or that it is endangered or in critical status (within the meaning of Section 305 of ERISA); (vi) each Obligor and all members of its Controlled Group have met their minimum funding requirements under ERISA with respect to all of their US Pension Plans and Multiemployer Plans and have not filed any application for a waiver of the minimum funding standard with respect to any US Pension Plan, (vii) no US Pension Plan has been determined to be or is expected to be in "at-risk" status (within the meaning of Section 303(i)(4)(A) of ERISA or Section 430(i)(4)(A) of the Revenue Code) and (viii) no non-exempt prohibited transaction has occurred with respect to any US Pension Plan by any Obligor (within the meaning of Section 4975 of the Revenue Code or Section 406 of ERISA) which could reasonably be expected to result in liability to any Obligor (the foregoing being collectively referred to herein as "**ERISA Events**" and individually as an "**ERISA Event**").

(35) Sanctions Neither the Borrower nor any of its Subsidiaries, nor to the knowledge of the Borrower and its Subsidiaries, any of their Affiliates or any director, officer, agent, employee, or other person acting on behalf of the Borrower or its Subsidiaries, is in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC or the United States Department of State or under Canadian Sanctions Law ("**Sanctions Laws**"). No Obligor (i) is a Sanctioned Person or a Sanctioned Entity, (ii) has more than 10% of its assets located in Sanctioned Entities, or (iii) derives more than 10% of its revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. No proceeds of any Advances or Letters of Credit will be used in any manner that will result in a violation by any Lender of any U.S. sanctions administered by OFAC or the United States Department of State or any Canadian Sanctions Law.

(36) Anti-Terrorism. Each of the Borrower and its Subsidiaries is in compliance with all laws related to anti-terrorism or money laundering including: (i) all applicable requirements of the Currency and Foreign Transactions Reporting Act of 1970 (31 U.S.C. 5311 et. seq., (the Bank Secrecy Act)), (ii) the Trading with the Enemy Act or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R. Subtitle B, Chapter V, as amended), or any

enabling legislation or executive order relating thereto, (iii) Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (66 Fed. Reg. 49079) and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (the “**Patriot Act**”), any other enabling legislation, executive order or regulations issued pursuant or relating thereto, (iv) Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and (v) other applicable federal, provincial or state laws relating to anti-terrorism or anti-money laundering rules and regulations (collectively, “**AML Laws**”). No action, suit or proceeding by or before any court or Governmental Authority with respect to compliance with such AML Laws is pending or threatened to the knowledge of each of the Borrower and its Subsidiaries. The use of proceeds of the Advances and Letters of Credit will not violate AML Laws.

(37) Anti-Corruption. Each of the Borrower and its Subsidiaries is in compliance in all material respects with all applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act of 1977 and the Corruption of Foreign Officials Act (Canada) (“**Anti-Corruption Laws**”). None of the Borrower and its Subsidiaries, nor to the knowledge of the Borrower and its Subsidiaries, any of their Affiliates or any director, officer, agent, employee, or other person acting on behalf of the Borrower or its Subsidiaries, has taken any action, directly or indirectly, that would result in a violation of applicable Anti-Corruption Laws. Each of the Borrower and its Subsidiaries has instituted and will continue to maintain policies and procedures designed to promote compliance with applicable Anti-Corruption Laws to the extent required by Applicable Laws. No proceeds of any Advances or Letters of Credit will be used in any manner that will result in a violation by any Lender of any applicable Anti-Corruption Laws.

(38) Full Disclosure All information provided to the Agent or the Lenders by or on behalf of the Borrower in connection with the Revolving Facility is, to its knowledge, true and correct in all material respects and none of the documentation furnished to the Agent and the Lenders by or on behalf of it, to its knowledge, omits or will omit as of such time, a material fact necessary in order to make the statements contained in such information and data, taken as a whole, not materially misleading in light of the circumstances under which such statements are made. All projections have been prepared in good faith based on assumptions believed by the Borrower to be reasonable at the time made and at the time made available to the Lenders.

(39) Potential Prior Ranking Claims Each of the Obligor has paid or made adequate provision for the payment of all Potential Prior Ranking Claims levied on it or on its Property or income that are due and payable, including interest and penalties, or has accrued such amounts in its financial statements for the payment of such Potential Prior Ranking Claims except Potential Prior Ranking Claims that are not material in amount, that are not delinquent or if delinquent are being contested, and in respect of which non-payment would not individually or in the aggregate constitute, or be reasonably likely to cause, a Material Adverse Change, and, there is no material action, suit, proceeding, investigation, audit or claim now pending, or to its knowledge threatened, by any Governmental Authority regarding any Potential Prior Ranking Claims nor has it agreed to waive or extend any statute of limitations with respect to the payment or collection of Potential Prior Ranking Claims.

(40) Loan Receivables Each Borrowing Base Certificate is complete and correct in all material respects.

(41) Reporting Issuer Status The Borrower is a reporting issuer, as defined under applicable securities laws, in the provinces or territories of: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, Northwest Territories, Yukon, Nunavut, and is not in default under any requirement of Applicable Laws relating to securities.

(42) No Omissions. No Obligor has withheld from any Lender any material information relating to its financial condition or business which would reasonably be expected to be material to a prospective lender contemplating a loan of the size and nature contemplated in this Agreement. All factual information that has been made or will be made available to the Lenders by the Borrower or on its behalf is, or will be, when furnished, complete and correct in all material respects and does not, or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statement contained therein not materially misleading in light of the circumstances under which such statements are made.

(43) Immaterial Subsidiaries All Immaterial Subsidiaries are listed on Schedule F under the heading “Immaterial Subsidiaries”. No Immaterial Subsidiary owns any material assets or conducts any business. Each Immaterial Subsidiary is inactive.

9.02 Survival and Repetition of Representations and Warranties

The representations and warranties set out in Section 9.01 will be deemed to be repeated by the Borrower as of the date of each request for new Advance by the Borrower except to the extent that on or prior to such date (a) the Borrower has advised the Agent in writing of a variation in any such representation or warranty as required by the terms hereof, and (b) if such variation in the opinion of the Lenders, acting reasonably, is material to the Property, liabilities, affairs, business, operations, prospects or condition (financial or otherwise) of the Obligors considered as a whole or an Obligor individually, the Lenders have approved such variation.

ARTICLE 10 – COVENANTS

10.01 Positive Covenants

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Majority Lenders, the Borrower shall and shall cause each other Obligor to:

(1) Timely Payment Make due and timely payment of the Obligations required to be paid by it hereunder.

(2) Conduct of Business, Maintenance of Existence, Compliance with Laws Carry on and conduct its business and operations in a proper, efficient and businesslike manner, in accordance with good business practice; maintain and preserve all of its Property that is necessary for the conduct of its business in good working order and condition, ordinary wear and tear excepted, in accordance with prudent industry standards; preserve, renew and keep in full force and effect its existence except as may otherwise be permitted pursuant to Section 10.04(2); and take all reasonable action to maintain all rights, title, privileges and franchises necessary or desirable in the normal conduct of its business (except where the failure to do so shall not reasonably be expected to have a Material Adverse Change) and to comply in all material respects

with all Material Contracts, Material Licences and Requirements of Law (except where the failure to do so shall not reasonably be expected to have a Material Adverse Change) and all Applicable Laws and orders of any Governmental Authority applicable to it or its Property.

(3) Further Assurances Provide the Agent and the Lenders with such other documents, opinions, consents, acknowledgements and agreements requested by the Agent, acting reasonably as are within its control and reasonably necessary to implement this Agreement or the other Loan Documents from time to time.

(4) Access to Information Promptly provide the Agent with all information reasonably requested by the Agent for and on behalf of the Lenders from time to time concerning its financial condition and Property, and during normal business hours and upon reasonable notice, permit representatives of the Agent to inspect any of its Property and, following the occurrence and during the continuance of an Event of Default, to examine and take extracts from its financial books, accounts and records including but not limited to accounts and records stored in computer data banks and computer software systems, and to discuss its financial affairs, its business or any part of its Property with its senior officers and, following the occurrence and during the continuance of an Event of Default (in the presence of such of its representatives as it may designate), its auditors; provided that prior to the occurrence of an Event of Default such inspection and visit shall be limited to once per Fiscal Year.

(5) Books and Records Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Person.

(6) Obligations and Taxes Pay or discharge or cause to be paid or discharged, before the same shall become delinquent all Taxes imposed upon it or upon its income or profits or in respect of its business or Property (other than Taxes the amounts of which are immaterial and do not constitute an Encumbrance on an Obligor's Property that ranks *pari passu* or prior to the Encumbrances granted in favour of the Lenders) and file all tax returns in respect thereof; *provided*, however that it shall not be required to pay or discharge or to cause to be paid or discharged any such amount so long as the validity, applicability or amount thereof shall be contested in good faith by appropriate proceedings and an adequate reserve in accordance with GAAP has been established in its books and records.

(7) Use of Revolving Facility Use the proceeds of the Revolving Facility as contemplated by Section 2.04.

(8) Insurance Maintain or cause to be maintained with reputable insurers, coverage of such types as is customary for and would be maintained by a corporation with an established reputation engaged in the same or similar business (including adequate business risks insurance) in similar locations and provide to the Agent, upon request and not more frequently than on an annual basis, evidence of such coverage. The Borrower shall, on an annual basis prior to the expiry or replacement of any insurance policy, at the Agent's request send copies of all renewed or replacement policies to the Agent. The Agent on behalf of the Lenders shall be indicated in all insurance policies, as applicable, as first loss payee in respect of property insurance and additional

insured in respect of liability insurance, and all property insurance policies shall contain such standard mortgage clauses as the Agent shall reasonably require for the Lenders' protection.

(9) Notice of Litigation Promptly notify the Agent on becoming aware of the occurrence of any litigation, dispute, arbitration, proceeding or other circumstance the result of which could reasonably be expected to result in (a) a judgment or award against it in excess of Cdn.\$250,000 or (b) a Material Adverse Change, and from time to time provide the Agent with all reasonable information requested by the Agent concerning the status of any such proceeding.

(10) Other Notices Promptly, upon having knowledge, give notice to the Agent on behalf of the Lenders of:

- (a) any violation of any Applicable Law which does or could reasonably be expected a Material Adverse Change in any Obligor;
- (b) any default under any Debt of an Obligor in an amount in excess of Cdn.\$250,000;
- (c) any termination prior to maturity of, or default under a Material Contract or any termination, lapse, rescission or default under a Material Licence;
- (d) any Default or Event of Default, together with particulars in reasonable detail specifying the nature thereof and the steps being taken to cure such Default or Event of Default;
- (e) any Material Adverse Change;
- (f) any damage to or destruction of any property, real or personal, of any Obligor having a replacement cost in excess of Cdn.\$250,000;
- (g) any threatened or pending litigation or governmental, regulatory or arbitration proceeding or labour controversy or fine, penalty or other similar monetary obligation against or imposed upon the Borrower or any Subsidiary or any of their Property which could reasonably be expected to be determined adversely to the applicable Obligor and which, if so determined, could reasonably be expected to have a Material Adverse Change or give rise to an Event of Default;
- (h) any notice received by the Obligors, or any of them, in connection with the enforcement of the Advantech Order;
- (i) the occurrence of any Pension Event and/or ERISA Event that, individually or together with all other Pension Events and/or ERISA Events that have occurred, could reasonably be expected to have a Material Adverse Change;
- (j) the receipt of insurance proceeds by any Obligor in excess of Cdn.\$250,000;
- (k) any Encumbrance registered against any property or assets of any Obligor, other than a Permitted Encumbrance;

- (l) any Change of Control;
- (m) any changes to, modifications of, or relief from, the terms and conditions of the Convertible Debentures or the Ningbo Bank Debt;
- (n) any Obligor infringing or misappropriating or having been alleged in writing to be infringing or misappropriating, the intellectual property rights of any other Person in a manner that could reasonably be expected to have a Material Adverse Change; or
- (o) any confidential filing made to any securities regulatory authority or stock exchange (including the TSX).

In each Compliance Certificate delivered to the Agent, provide notice of:

- (i) any entering into of a Material Contract or receipt of a Material License; and
- (ii) any material change in, or material amendment to, any Material Contract or termination of a Material Licence.

(11) Intellectual Property Maintain rights sufficient for it to use all material Intellectual Property reasonably necessary for the conduct of its business and not knowingly infringe or misappropriate in any material way the material intellectual property rights of any other Person.

(12) ERISA Except as could not reasonably be expected to result in a Material Adverse Change: promptly pay and discharge all obligations and liabilities arising under ERISA of a character which if unpaid or unperformed could reasonably be expected to result in the imposition of a Lien other than a Permitted Encumbrance against any of its properties; promptly notify the Agent of (i) the occurrence of any Reportable Event with respect to a US Pension Plan, (ii) receipt of any notice from the PBGC of its intention to seek termination of any US Pension Plan or appointment of a trustee therefor, (iii) its intention to terminate or withdraw from any US Pension Plan or Multiemployer Plan which would result in the incurrence by it of any material liability, fine or penalty, and (iv) the occurrence of any event with respect to any US Pension Plan or Multiemployer Plan which would result in the incurrence by it of any material liability, fine or penalty.

(13) Environmental Compliance Except as could not reasonably be expected to result in a Material Adverse Change: (i) operate its business in compliance in all material respects with Environmental Laws and (ii) operate all Property owned, leased or otherwise used by it such that no material obligation, including a clean-up or remedial obligation, will arise under any Environmental Law; provided, however, that if any such claim is made or any such obligation arises, the applicable Obligor shall promptly satisfy, address or contest such claim or obligation to the extent required under Environmental Law at its own cost and expense, *provided* that no Obligor shall be required to satisfy or address such claims or obligations to the extent that its requirement to do so is being contested in good faith and by proper proceedings. The Borrower shall promptly notify the Agent upon: (a) learning of the existence of any Hazardous Material located on, above

or below the surface of any land which it owns, leases, operates, occupies or controls (except those being stored, used or otherwise handled in compliance with Environmental Law), or contained in the soil or water constituting such land; and (b) the occurrence of any reportable release, spill, leak, emission, discharge, leaching, dumping or disposal of Hazardous Materials that has occurred on or from such land, which, in either the case of (a) or (b), is likely to result in liability under Environmental Law and that could reasonably be expected to result in a Material Adverse Change.

(14) Additional Guarantors Cause each direct or indirect Subsidiary formed or otherwise acquired after the Closing Date (other than an Excluded Subsidiary), to deliver the Security Documents and ancillary documents contemplated in Section 11.07 within the time stipulated therein.

(15) Security With respect to the Security:

- (a) provide to the Agent the Security required from time to time pursuant to Article 11 in accordance with the provisions of such Article, accompanied by customary supporting resolutions, certificates and opinions in form and substance satisfactory to the Agent; and
- (b) do, execute and deliver all such things, documents, guaranties, security, agreements and assurances as may from time to time reasonably be requested by the Agent to ensure that the Agent holds at all times valid, enforceable, perfected first priority Encumbrances (subject only to Permitted Encumbrances) from the Obligor meeting the requirements of Article 11).

(16) Maintenance of Property Generally keep the Property necessary in its business in good working order and condition, normal wear and tear excepted, and maintain all Intellectual Property necessary to carry on its business.

(17) Expenses Pay promptly (i) all reasonable and itemized out-of-pocket fees and disbursements (including sales tax, goods and services tax and harmonised sales and goods and services tax) incurred or paid by the Agent in connection with the preparation, negotiation, execution, delivery, maintenance, amendment and enforcement (including any workouts in connection with or in lieu of any enforcement) of the Loan Documents and in connection with the consummation of the transactions contemplated by the Loan Documents, including without limitation, all court costs and all reasonable and itemized fees and disbursements of one counsel to the Agent (and if required, one single local counsel in each relevant jurisdiction), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, and (iii) all reasonable and itemized out-of-pocket expenses incurred by the Agent, the Lenders or the Issuing Lender, including the reasonable fees, charges and disbursements of one counsel (and, if required, one single local counsel in each relevant jurisdiction), in connection with the enforcement or protection of their rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Advances made or Letters of Credit issued hereunder.

(18) Pension Plans and US Pension Plans Maintain all Canadian Pension Plans and US Pension Plans and Multiemployer Plans relating to each Obligor in compliance with all Applicable Laws except where the failure to do so would not result and could not reasonably be expected to result in a Material Adverse Change.

(19) Employee Benefit and Welfare Plans Maintain all Canadian Welfare Plans provided by it and relating to its business in compliance with all Applicable Law except where the failure to do so would not result and could not reasonably be expected to result in a Material Adverse Change.

(20) Material Contracts and Material Licences At the request of the Agent, from time to time, provide to the Lenders certified copies of any new Material Contracts and Material Licences.

(21) Cash Management

- (a) Subject to Section 10.01(21)(b) below, all bank accounts of an Obligor shall be held with the Agent or a Lender (or one of the Agent's or a Lender's Affiliates or Subsidiaries) as the depository bank, or be subject to a Control Agreement, such agreement to be in form and substance satisfactory to the Agent, with respect to such bank account.
- (b) Section 10.01(21)(a) above shall not apply to bank accounts in which the aggregate amount therein does not exceed \$1,000,000; provided that, if the aggregate amount held in any such bank account increases above \$1,000,000 after the Closing Date, the applicable Obligor shall be permitted to either (i) reduce the amount held in such account to less than \$1,000,000 within 10 days of becoming aware of same, or (ii) comply with Section 10.01(21)(a) above.

(22) Additional Real Estate Assets In the event that any Obligor acquires any owned real estate following the Closing Date and such real estate has not otherwise been made subject to the Encumbrance of the Security, then such Obligor shall promptly take all such actions and execute and deliver, or cause to be executed and delivered, all such Mortgages, documents, instruments, agreements, opinions and certificates similar to those with respect to the real estate which is already subject to the Security as the Agent shall reasonably request (including the requirements of Section 11.01(1)(i)) to create in favour of the Agent, for the benefit of the Lenders, a valid and, subject to any filing, registration and/or recording referred to herein, perfected charge in such real estate within 30 days of the date of acquisition.

(23) Payment of Rent Each Obligor shall make rent payments when due in respect of leased real property except for (i) amounts being contested in good faith for which adequate reserves have been provided for and (ii) amounts not paid due to inadvertence which amounts are paid in a timely manner upon such Obligor becoming aware thereof.

(24) AML/Anti-Corruption/Sanctions Law Each Obligor shall comply (a) with AML Laws and Sanctions Laws and (b) with Anti-Corruption Laws in all material respects.

(25) Rank of Loan Ensure that the Security rank senior to any additional Debt incurred with the exception of the Ningbo Bank Debt.

(26) Reserved.

(27) TSX, Reporting Issuer Status Use commercially reasonable efforts to maintain the listing of the Equity Interests of the Borrower on the TSX and maintain the status of the Borrower as a reporting issuer under the Canadian securities laws of the provinces and territories of Canada in which it is a reporting issuer.

(28) Reserved.

(29) August 2021 Equity Issuance Ensure that the August 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 September 1, 2021.

(30) 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.

(31) Appointment of Monitor Following the occurrence of an Event of Default that has occurred and is continuing, permit the Agent for time to time to appoint any person (the "**Monitor**") to investigate any or all of the Obligors and the Obligors' property, business and affairs, and report to the Lenders. The Obligors shall co-operate fully with the Monitor and give the Monitor full access to its facilities, property, records, creditors, customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall not participate in the management of the Obligors' business or affairs and shall have no responsibility, nor shall it incur any liability, in respect of the Obligors or the Obligors' property, business or affairs. The Monitor shall act solely on behalf of the Agent and the Lenders and shall have no contractual relationship with the Obligors as a consultant or otherwise, nor shall the Obligors be entitled to receive any report by the Monitor. The appointment of the Monitor shall not be regarded as an act of enforcement of the Security and other Loan Documents. All costs incurred in connection with the appointment of the Monitor and the performance by the Monitor of its activities as such, including legal fees on a full indemnity (sometimes called solicitor and own client) basis shall be payable by the Obligors to the Agent immediately on demand, shall bear interest from the date they are incurred until paid at the highest rate of interest applicable to the Obligations and shall be included in the Obligations.

10.02 Financial Covenants

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Majority Lenders:

(1) Senior Debt to EBITDA Ratio The Borrower, on a consolidated basis with the Obligors, will ensure that its Senior Debt to EBITDA Ratio as at the end of each Fiscal Quarter, is not greater than the following amounts during the following periods:

<u>Fiscal Quarters</u>	<u>Ratio</u>
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Commencing on the Original Closing Date to December 31, 2019	3.00:1.00
March 31, 2020	2.75:1.00
June 30, 2020	Not tested or applicable
September 30, 2020	4.25:1.00
December 31, 2020	Not tested or applicable
March 31, 2021	4:00:1.00
June 30, 2021 and each Fiscal Quarter thereafter up to January 31, 2026	Not tested or applicable

(2) Fixed Charge Coverage Ratio The Borrower, on a consolidated basis with the Obligors, will ensure that its Fixed Charge Coverage Ratio as at the end of each Fiscal Quarter, is greater than the following amounts during the following periods:

<u>Fiscal Quarters</u>	<u>Ratio</u>
Commencing on the Original Closing Date to March 31, 2020	1.15:1.00
June 30, 2020	Not tested or applicable
September 30, 2020	1.00:1.00
December 31, 2020 to June 30, 2022	1.15:1.00
September 30, 2022 and each Fiscal Quarter thereafter up to January 31, 2026	Not tested or applicable

(3) Calculation of EBITDA For the purposes of calculating EBITDA, (i) the financial results of the Alga Microwave Business, shall be included on a Pro Forma Basis (with normalization adjustment to be agreed upon), as if such acquisition was made at the beginning of the financial reporting period for such calculation and (ii) the EBITDA for the 12-months ending December 31, 2018 shall be deemed to be \$18,226,000 calculated as follows:

Each Fiscal Quarter	EBITDA
March 31, 2018	\$3,212,000
June 30, 2018	\$4,094,000
September 30, 2018	\$6,675,000
December 31, 2018	\$4,245,000

(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 commencing September 30, 2023 up to and including March 31, 2024; (vi) \$2,000,000 commencing April 1, 2024 up to and

including September 30, 2024, (vii) \$3,000,000 commencing on October 1, 2024 up to and including March 31, 2025, (viii) \$2,700,000 commencing on April 1, 2025 up to and including April 30, 2025, and (ix) \$3,000,000 commencing May 1, 2025 and at all times thereafter, *provided that* notwithstanding the foregoing, commencing January 31, 2024, the Liquidity covenant will be tested on the last day of each calendar month only.

(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 and each Fiscal Quarter thereafter up to and including March 31, 2025	Not tested or applicable
June 30, 2025	\$4,000,000
September 30, 2025	\$4,300,000
December 31, 2025	\$2,700,000

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

10.03 Reporting Requirements

The Borrower shall, and shall cause each Subsidiary to, maintain a standard system of accounting in accordance with GAAP and shall furnish to the Agent (on behalf of the Lenders) and its duly authorized representatives such information respecting the business and financial condition of the Borrower and each Subsidiary of the Borrower as the Agent or any Lender (acting through the Agent) may reasonably request; and without any request, shall furnish to the Agent (on behalf of the Lenders):

(1) **Monthly Reports** As soon as available, and in any event within forty-five (45) days after the end of each calendar month, (a) a Borrowing Base Certificate setting out the calculation of the Borrowing Base as at the last day of the month just ended, (b) a 13-week cash flow forecast certified by a senior officer of the Borrower as being prepared based upon good faith estimates and assumptions that were reasonable at the time made, and (c) unaudited financial statements prepared on a consolidated basis, in each case and without limitation, balance sheet, statement of income, statement of cash flows, a breakdown of cash held by jurisdiction and a list of all outstanding Hedge Arrangements, which shall be prepared in accordance with GAAP as at the last day of such calendar month.

(2) Annual Reports As soon as available and in any event within one hundred twenty (120) days after the end the Borrower’s Fiscal Year, cause to be prepared and delivered to the Agent, (i) the annual audited consolidated financial statements of the Borrower and the audited combined financial statements of the Obligor inclusive of combining notes with both set of statements and including, in each case and without limitation, balance sheet, statement of income and statement of cash flows which shall be prepared in accordance with GAAP and accompanied by the report of the Auditor or other accounting firm reasonably acceptable to Agent which report shall contain an unqualified opinion, stating that such consolidated financial statements present fairly in all material respects the financial position for the periods indicated in conformity with GAAP applied on a basis consistent with prior years and not include any going concern or other audit qualification and (ii) a comparison of the consolidated financial results to the budget set forth in the Annual Business Plan and to the previous Fiscal Year and (iii) a management discussion and analysis with respect to such consolidated financial results, all as certified by an officer of the Borrower.

(3) Quarterly Reports As soon as available and in any event within forty-five (45) days of the end of each Fiscal Quarter, cause to be prepared and delivered to the Agent as at the end of such Fiscal Quarter unaudited financial statements of the Borrower prepared on a consolidated basis, inclusive of combining notes with both set of statements and including, in each case and without limitation, balance sheet, statement of income, statement of cash flows, and a list of all outstanding Hedge Arrangements, which shall be prepared in accordance with GAAP (subject to usual year-end adjustments and the absence of full note and deferred tax disclosure) together with a comparison of such consolidated financial results to the budget set forth in the Annual Business Plan and to the same period in the previous Fiscal Year and together with management discussion and analysis with respect to such consolidated financial results. Concurrently with the delivery of such quarterly financial statements above, the Borrower shall also deliver quarterly income statements, EBITDA calculations and those balance sheet accounts necessary to determine the financial covenants in Section 10.02(1) and Section 10.02(2) (but not other financial statements) for the four Fiscal Quarters of Fiscal Year 2016 in US Dollars in accordance with GAAP so long as such income statements are accurate in all material respects.

(4) Annual Business Plan As soon as available, and in any event no later than thirty (30) days after the end of each Fiscal Year of the Borrower, a copy of the Annual Business Plan for the following Fiscal Year, such Annual Business Plan to be in reasonable detail prepared by the Borrower, *provided that* notwithstanding the foregoing, the Annual Business Plan for Fiscal Year 2026 shall be delivered by November 30, 2025.

(5) Compliance Certificate Together with the financial statements referred to in (2) and (3) above, provide the Agent with a Compliance Certificate, which shall set forth the calculations supporting such statements in respect of Section 10.02 hereof.

(6) Management Letters Upon receipt thereof, copies of all final versions of “management letters” submitted by the Auditor in connection with the Borrower’s audited financial statements.

(7) Other Information Following the request of a Lender, furnish such other reports, or information reasonably requested by a Lender from time to time relating to the business affairs

and financial condition of the Obligor, including, without limitation, unconsolidated financial statements of any Obligor (to the extent available).

10.04 Negative Covenants

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Majority Lenders, the Borrower shall not and shall ensure that each Obligor shall not:

(1) Disposition of Property Except for Permitted Dispositions, Dispose of, in one transaction or a series of transactions, all or any part of its Property, whether now owned or hereafter acquired.

(2) No Consolidation, Amalgamations, etc. Consolidate, amalgamate or merge with any other Person, export a Canadian or U.S. corporation into a jurisdiction outside of Canada or the United States, liquidate, wind-up or dissolve itself, or permit any liquidation, winding-up or dissolution, change its existing capital structure or change its legal form, unless prior written approval has been received from the Majority Lenders and such customary documentation as is required by Lenders' Counsel, acting reasonably, is delivered concurrently with such transaction. Notwithstanding the foregoing, (A) an Obligor may consolidate, amalgamate or merge with another Obligor, liquidate, wind-up or dissolve itself into another Obligor, or otherwise enter into any such transaction involving only one or more other Obligors, change its capital structure or change its legal form, subject to (i) there existing no Default or Event of Default, (ii) the Agent being provided with no less than fifteen (15) days' prior written notice of the occurrence of such event, (iii) concurrent with such event, the Agent being provided with such additional Loan Documents that it requires acting reasonably and consistent with Article 11, in connection with such event including, if required, to obtain Security over any Equity Interests of the Borrower and any of its Subsidiaries arising therefrom, (iv) the Agent being provided with such customary legal opinions as it requires, acting reasonably, in connection therewith, (v) such event not having any negative impairment on the Security granted in favour of the Lenders and the obligations of the Obligors pursuant to the Loan Documents in effect at such time, (vi) an Obligor which is not a Guarantor may not enter into such transaction with the Borrower or another Guarantor unless the entity formed from such transaction is the Borrower or a Guarantor; and (B) subject to Section 10.04(3) below, the Borrower or any U.S. or Canadian Guarantor may re-incorporate in any jurisdiction in the U.S. or Canada.

(3) No Change of Name or Jurisdiction With respect to the Borrower or any Guarantor, change its name, adopt a French form of name or change its jurisdiction of incorporation or formation in each case without providing the Agent with at least fifteen (15) days' prior written notice thereof.

(4) No Debt Create, incur, assume or permit any Debt to remain outstanding, other than Permitted Debt.

(5) No Investments Make any Investments except Permitted Investments.

(6) No Financial Assistance Provide any Financial Assistance except (i) to the extent that such Financial Assistance constitutes Permitted Debt or is in respect of Permitted Debt;

(ii) Financial Assistance provided by the Borrower or any Secured Guarantor in favour of an Unsecured Guarantor not exceeding Cdn.\$2,000,000; or (iii) guarantees by any North American Obligor of obligations under any lease for real property owing by a North American Obligor.

(7) No Distributions Make any Distribution except Permitted Distributions.

(8) No Encumbrances Create, incur, assume or permit to exist any Encumbrance upon any of its Property except Permitted Encumbrances.

(9) No Management Fees Other than reasonable directors fees, compensation, and reimbursement of expenses (in each case consistent with past practice), pay any management fees to any Affiliate (other than the Borrower or a Secured Guarantor) or direct or indirect shareholder of the Borrower. For greater certainty, this Section 10.04(9) shall not restrict payment of any ordinary course compensation, bonuses or other remuneration to any employees of the Obligors.

(10) Capital Expenditures In any Fiscal Year make, or enter into any agreement which would require it to make, any Capital Expenditures in excess of 110% of the amount set out in the Annual Business Plan unless consented to by the Majority Lenders in writing in their sole discretion.

(11) No Change to Year End or Auditor Make any change to its Fiscal Year (other than any change to the Fiscal Year of any Subsidiary acquired after the Closing Date to conform to the Fiscal Year) or change the Auditor unless any replacement is a nationally recognized accounting firm.

(12) No Change to Business Carry on any material line of business other than the Business.

(13) Hedge Arrangements Enter into or permit to be outstanding at any time Hedge Arrangement other than Permitted Hedge Arrangements unless:

- (a) such Hedge Arrangement is a rate swap, interest rate option, forward rate transaction, forward foreign exchange transaction or cross currency rate swap transaction;
- (b) the counterparty under such Hedge Arrangement is a Lender or an Affiliate of a Lender; provided that the Agent shall, in its sole and unfettered discretion, determine which Lender(s) shall have the opportunity to participate in such Hedge Arrangements with the Borrower (which determination shall not be subject to any decision or direction by the Majority Lenders or any one or more Lenders); and for greater certainty each Lender agrees that it will not enter into any Hedge Arrangements with the Borrower unless RBC has provided its written consent in respect of the proposed Hedge Arrangements to be entered into, such approval not to be unreasonably withheld;
- (c) such Hedge Arrangement is designed to protect the Borrower against fluctuations in currency exchange rates or, interest rates and such Hedge Arrangement has been entered into by the Borrower *bona fide* and in good faith

in the ordinary course of its business for the purpose of carrying on the same and not for speculative purposes.

(14) Location of Assets in Other Jurisdictions In the case of Canadian Guarantors or the Borrower, except for any Property in transit in the ordinary course of business, acquire any Property within Canada but outside of the jurisdictions identified in Schedule 9.01(19) or move any Property from one jurisdiction to another jurisdiction within Canada where the movement of such Property would cause the Encumbrance of the Security over such Property to cease to be perfected under Applicable Law, or suffer or permit in any other manner any of its Property to not be subject to the Encumbrance of the Security or to be or become located in a jurisdiction as a result of which the Encumbrance of Security over such Property is not perfected, unless (a) the Canadian Guarantor or the Borrower, as applicable, has first given ten (10) days' prior written notice thereof to the Agent, and (b) the applicable Canadian Guarantor or the Borrower, as applicable, has first executed and delivered to the Agent all Security and all financing or registration statements in form and substance satisfactory to the Agent which the Agent or its counsel, acting reasonably, from time to time deem necessary or advisable to ensure that the Security at all times constitutes a perfected first priority Encumbrance (subject only to Permitted Encumbrances) over such Property notwithstanding the movement or location of such Property as aforesaid together with such customary supporting certificates, resolutions, opinions and other documents as the Agent may deem necessary, acting reasonably, or desirable in connection with such security and registrations.

(15) Amendments to Organizational Documents Subject to Section 10.04(2), amend any of its Organizational Documents in a manner that would be prejudicial to the interests of any of the Lenders under the Loan Documents.

(16) No New Subsidiaries Create or acquire any Subsidiary after the date of this Agreement unless: (a) such Subsidiary exists pursuant to the laws of Canada (or any province or territory thereof) or the United States of America (or any state thereof), (b) all of the issued and outstanding capital of such Subsidiary is owned, directly or indirectly, by the Borrower; (c) such Subsidiary provides a legal, valid and enforceable guarantee of the Obligations and Security in favour of the Agent, in each case in form and substance satisfactory to the Agent acting reasonably, (d) all of the issued and outstanding shares of such new Subsidiary are pledged to the Agent, (e) such other documents as reasonably required by the Agent are delivered in connection with the creation or acquisition of such Subsidiary, and in each case appropriate legal opinions are delivered by Borrower's Counsel to the Agent and the Lenders; and (f) such Subsidiary complies with Section 11.07.

(17) Hostile Take-Over Bid Make or complete a Hostile Take-Over Bid.

(18) Non-Arm's Length Transactions Except as set out in Schedule 9.01(28), effect any transactions with any Person (other than an Obligor) not dealing at Arm's Length with the transacting Obligor, except any transaction on terms no less favourable to such Obligor as would be obtainable in a comparable transaction with a Person which is at Arm's Length with such Obligor, as applicable; provided that the foregoing shall not apply to:

- (a) transactions between Obligors; or

- (b) other transactions or arrangements expressly permitted by this Agreement.

(19) Anti-Cash Hoarding Use the proceeds of any Advance under the Revolving Facility to accumulate or maintain cash or Cash Equivalents in one or more deposit or investment accounts maintained by or on behalf of Obligor if, after giving effect to such Advance, the aggregate amount of cash or Cash Equivalents in such deposit or investment accounts, maintained by the Obligor, when taken as a whole, would exceed \$1,500,000, but excluding cash and Cash Equivalents accumulated or maintained therein for a specific and legitimate business purpose in the ordinary course of business (other than simply accumulating a cash reserve).

ARTICLE 11 – SECURITY

11.01 Form of Security

(1) Security As continuing collateral security for the payment and satisfaction of all Obligations, the Borrower and each Guarantor has delivered, or shall deliver or cause to be delivered, to the Agent for itself and on behalf of the Lenders all documents, financing statements, agreements and instruments, and take all such actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), that may be required under any applicable law and that the Agent or the Majority Lenders may reasonably request, all at the expense of the Obligor, including the following guarantees, collateral documents and related documents for each appropriate jurisdiction, all of which shall be in form and substance reasonably satisfactory to the Agent:

- (a) a general security agreement from the Borrower in favour of the Agent constituting a first-priority Encumbrance (subject only to Permitted Encumbrances) on all of its present and future Property of the Borrower;
- (b) a securities pledge agreement from the Borrower and Guarantors in favour of the Agent constituting a first-priority Encumbrance (subject to Permitted Encumbrances) on all securities that it owns;
- (c) a general security agreement from each Secured Guarantor in favour of the Agent constituting a first-priority Encumbrance (subject only to Permitted Encumbrances) on all of its present and future Property of each Guarantor but excluding any security granted to secure the Ningbo Bank Debt;
- (d) an unlimited guarantee from each Subsidiary (other than Excluded Subsidiaries) guaranteeing the due payment and performance to the Agent and the Lenders of all present and future Obligations under the Loan Documents (each, a “**Guarantee**” and collectively, “**Guarantees**”);
- (e) all share certificates representing all Equity Interests subject to the securities pledge agreements referred to in Section 11.01(1)(b) together with duly executed stock powers of attorney;
- (f) an intellectual property security agreement if requested by the Agent;

- (g) all certificates, agreements, documents, instruments and notes, including Uniform Commercial Code or PPSA financing statements and control agreements, required by the Security Documents to be filed, delivered, registered or recorded to create and perfect the Encumbrances intended to be created by the Security Documents shall have been filed, registered, recorded or delivered to the Agent for filing, registration or recording;
- (h) if any Debt for borrowed money of the Borrower or any Guarantor is owing by such obligor to any of the Borrower or any Guarantor, a promissory note that shall be executed and delivered to the Agent, together, with undated instruments of transfer with respect thereto endorsed in blank; and
- (i) the Agent shall have received, to the extent customary and appropriate in the applicable jurisdiction as determined by the Agent in its reasonable discretion, (i) counterparts of a Mortgage with respect to each owned real property duly executed and delivered by the record owner of such real property, (ii) a policy or policies of title insurance (or marked commitments to issue the same) issued by a nationally recognized title insurance company insuring the lien of each such Mortgage as a first priority lien (subject to Permitted Encumbrances) on the real property described therein, free of any other liens or Encumbrances other than Permitted Encumbrances, together with such endorsements, coinsurance and reinsurance as the Agent may reasonably request, (iii) if any owned real property located in any United States jurisdiction is located in an area determined by the Federal Emergency Management Agency to have special flood hazards, evidence of such flood insurance as may be required under applicable law, including Regulation H of the Board of Governors, and (iv) such legal opinions, existing surveys, existing abstracts and appraisals as the Agent may reasonably request with respect to any such Mortgage or owned real property.

Notwithstanding the provisions contained in Sections 11.01(e) and (g) above, the Borrower is not required to (i) deliver the share certificates of Galtronics Electronics (Wuxi) Co., Ltd. (the “**Chinese Obligor**”) and related stock powers of attorney to the Agent; and (ii) cause to file, register or record the Security Documents to which the Chinese Obligor is a party at the relevant registries maintained by the Governmental Authorities in China to the extent required for the perfection, validity and enforceability of the Security granted thereunder, *provided that*, for greater certainty, the Security Documents to which the Chinese Obligor is a party shall remain in full force and effect and form part of the Security.

(2) Landlord Agreements The Borrower agrees to use commercially reasonable efforts to obtain and deliver to the Agent a Landlord Agreement in respect of each Leased Location so requested in writing by the Agent (where feasible) from time to time.

11.02 Insurance

Each Obligor or the appropriate Obligor if blanket insurance policies are held, will cause the Agent to be shown as first loss payee and additional insured with respect to all insurance on the Property of each Obligor.

11.03 After Acquired Property and Further Assurances

Each Obligor shall from time to time, at the reasonable request of the Agent, execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, Mortgage, pledge or charge in connection with any of its Property, whether now existing or acquired by any Obligor after the date hereof and intended to be subject to the security interests created hereby including any insurance thereon.

11.04 Application of Proceeds of Security

Each of the Lenders acknowledges that the Agent holds the Security to secure all of the Obligations and upon the occurrence of an acceleration of Obligations under Section 12.02, shall distribute the proceeds of realisation in accordance with Section 12.11.

11.05 Security Charging Real Property

Notwithstanding anything to the contrary contained in any Loan Document, to the extent that the charges and security interests created by the Security charge real property or any interest therein such charges and security interests shall secure interest after the occurrence of an Event of Default at the same rates as those in effect prior to such occurrence.

11.06 Security of New Material Subsidiary

Forthwith upon a Foreign Subsidiary accounting for 5% or more of EBITDA for the period covered by the financial statements of the Borrower most recently provided to the Lenders (and in any event within thirty (30) days thereof or such later date as may be agreed to by the Agent acting reasonably and taking the local laws applicable to such Foreign Subsidiary into account) and to secure the payment and performance of all Obligations, the Borrower will cause such Security Documents as the Agent shall reasonably require (which request shall be deemed to be reasonable if it requires similar Security Documents granted on the Closing Date, taking into account local Applicable Laws and practices) and together with certified copies of Organizational Documents and resolutions, a certificate of incumbency, a legal opinion of outside counsel with respect to such Foreign Subsidiary and the Security provided by it and such other documents as the Lenders may reasonably require, all in a form and substance satisfactory to the Agent, acting reasonably.

11.07 Additional Subsidiaries

If (i) any additional Subsidiary (other than an Excluded Subsidiary) is formed or acquired after the Closing Date or (ii) if any Subsidiary ceases to be an Excluded Subsidiary, the Borrower will, within 45 days (or such longer period as the Agent shall reasonably agree) after such Subsidiary is formed or acquired or such Subsidiary ceases to be an Excluded Subsidiary,

notify the Agent thereof, and will cause such Subsidiary to satisfy the applicable Security requirements set forth in Article 11 with respect to such Subsidiary and with respect to any Equity Interest in or Debt of such Subsidiary owned by any Obligor within (i) in the case of a Subsidiary formed under the laws of China, one hundred and eighty (180) days after such notice, and (ii) in the case of all other Subsidiaries, forty-five (45) days after such notice (in each case, or such longer period as the Agent shall reasonably agree and the Agent shall have received a completed perfection certificate or similar information with respect to such Subsidiary as the Agent may reasonably request).

11.08 **Illegality**

If any Lender determines, acting reasonably, that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender to hold or benefit from a Encumbrance over real property pursuant to any law of the United States or any State thereof, such Lender may notify the Agent and disclaim any benefit of such security interest to the extent of such illegality; provided, that such determination or disclaimer shall not invalidate or render unenforceable such Encumbrance for the benefit of any other Lender.

ARTICLE 12 – DEFAULT

12.01 **Events of Default**

The occurrence of any one or more of the following events (each such event being herein referred to as an “**Event of Default**”) shall constitute a default under this Agreement:

- (a) if the Borrower fails to pay any amount of principal of any Advance when due; or
- (b) if the Borrower fails to pay any interest, fees or other Obligations under the Loan Documents when due and payable and such non-payment continues for a period of three (3) Business Days; or
- (c) if the Borrower fails to observe or perform any of the covenants in Section 10.01(29), 10.01(30) or Section 10.02; or
- (d) if the Borrower fails to observe or perform any of the covenants in Sections 10.03 or 10.04 and, if such default is capable of being cured, the Borrower shall fail to remedy such default within ten (10) Business Days from the date of non-compliance; or
- (e) if any Obligor neglects to observe or perform any covenant or obligation contained in this Agreement or any other Loan Document (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this Section 12.01) and the Borrower shall fail to remedy such default within thirty (30) days from the date of non-compliance thereof; or

- (f) if the Account Holder or any Advantech Litigation Respondent neglects to observe or perform any covenant or obligation contained in the Advantech Litigation Agreement;
- (g) if any representation or warranty made by any Obligor or the Account Holder in this Agreement, any Loan Document or in any certificate or other document at any time delivered hereunder to the Agent or the Lenders shall prove to have been incorrect on and as of the date thereof and, if capable of remedy, the Borrower shall have failed to remedy such default within thirty (30) days from the date of the occurrence of such event; or
- (h) if any Obligor ceases to carry on business generally or admits its inability or fails to pay its debts generally; or
- (i) if any Obligor (i) fails to make any payment when such payment is due and payable to any Person in relation to any Debt which in the aggregate principal amount then outstanding is in excess of Cdn.\$1,500,000 and such payment is not made within any applicable cure or grace period; (ii) defaults in the observance or performance of any other agreement or condition in relation to any such Debt to any Person which in the aggregate principal amount then outstanding is in excess of Cdn.\$1,500,000 or contained in any instrument or agreement evidencing, securing or relating thereto and such default is not waived or cured within any applicable cure or grace period; or (iii) any other event shall occur or condition exist, the effect of which default or other condition is to cause, or to permit the holder of such Debt to cause, such Debt which in the aggregate principal amount then outstanding is in excess of Cdn.\$1,500,000 to become due prior to its stated maturity date; or
- (j) if any Obligor or the Account Holder denies its or his obligations under any Loan Document or claims any of the Loan Documents to be invalid or withdrawn in whole or in part; or
- (k) any of the Loan Documents or any material provision of any of them becomes unenforceable or unlawful; or
- (l) if a decree or order of a court of competent jurisdiction is entered adjudging an Obligor (other than an Immaterial Subsidiary) a bankrupt or insolvent or approving a petition seeking the winding-up of an Obligor (other than an Immaterial Subsidiary) under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *United States Bankruptcy Code* or the *Winding-Up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against any substantial part of the assets of an Obligor (other than an Immaterial Subsidiary) or ordering the winding up or liquidation of its affairs; or

- (m) if any Obligor (other than an Immaterial Subsidiary) becomes insolvent, makes any assignment in bankruptcy or makes any other similar assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada), *United States Bankruptcy Code* or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada), *United States Bankruptcy Code* or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition; or
- (n) if any proceeding or filing shall be instituted or made against any Obligor (other than an Immaterial Subsidiary) seeking to have an order for relief entered against such Obligor as debtor or to adjudicate it bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition under any law relating to bankruptcy, insolvency, reorganization or relief or debtors (including, without limitation, the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and the *United States Bankruptcy Code*), or seeking appointment of a receiver, trustee, custodian or other similar official for such Obligor or for any substantial part of its properties or assets unless the same is being contested actively and diligently in good faith by appropriate and timely proceedings and is dismissed, vacated or permanently stayed within sixty (60) days of institution; or
- (o) if an Encumbrancer takes possession by appointment of a receiver, receiver and manager, or otherwise of any material portion of the Property of the Borrower or any of the Obligors; or
- (p) if an execution, writ of seizure and sale, sequestration or decree for the payment of money due shall have been obtained or entered against an Obligor in an amount in excess of Cdn.\$1,500,000 (individually or in the aggregate for all Obligors) and such judgment or decree has not been and remain vacated, discharged or stayed pending appeal within the applicable appeal period; provided that, it shall not be an Event of Default if such judgement or decree is discharged within sixty (60) days of entry and at least five (5) Business days before execution; or
- (q) other than the Advantech Order, if a final judgment or order shall have been obtained or entered against an Obligor in an amount in excess of Cdn.\$1,500,000 (individually or in the aggregate for all Obligors) and such judgment or order shall not have been vacated, satisfied, discharged, or is not

the subject of a pending appeal within the applicable appeal period, such that there is a stay of the judgment or order;

- (r) if any of the Security shall cease (except by reason of lapse of time or solely due to action or inaction by the Agent or the Lenders) to be a valid and perfected first priority security interest subject only to Permitted Encumbrances and the Borrower shall have failed to remedy such default within ten (10) days of receipt of notice thereof from the Agent; or
- (s) the occurrence of a Material Adverse Change; or
- (t) if a Change of Control shall occur; or
- (u) an ERISA Event shall occur or exist with respect to any US Guarantor or any member of a Controlled Group which would subject a US Guarantor to any tax, penalty or other liability which would reasonably be expected to result in a Material Adverse Change.

12.02 Acceleration and Termination of Rights

If any Event of Default shall occur and be continuing, all Obligations owing by the Borrower under the Loan Documents shall, upon the request of the Majority Lenders, become immediately due and payable, provided that, at the request of the applicable Lender or Lenders, any obligations, contingent or otherwise, arising under Hedge Arrangements owing to the Lenders shall be cash collateralized and secured in a manner satisfactory to the Agent and the Lenders party thereto with interest thereon, at the rate or rates determined as herein provided, to the date of actual payment thereof, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by each Obligor; provided, if any Event of Default described in Section 12.01(l) through 12.01(n) with respect to the Borrower shall occur, the Commitments (if not theretofore terminated) shall automatically terminate and the outstanding principal amount of all Advances and all other Obligations shall automatically be and become immediately due and payable. In such event subject to Section 14.09, either the Lenders or the Agent on their behalf may, in their discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against any Obligor authorized or permitted by law for the recovery of all the Obligations of the Borrower to the Lenders and proceed to exercise any and all rights hereunder and under the Security and no such remedy for the enforcement of the rights of the Lenders shall be exclusive of or dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

12.03 Payment of Letters of Credit

If the Borrower does not pay to the Agent for the account of the Lenders the face amount of any unexpired Letter of Credit required to be paid pursuant to Section 12.02, the Agent on behalf of the Lenders shall have the option at any time without notice to the Borrower to give notice to the Lenders to make an Advance to the Borrower equal to the face amount of all unexpired Letters of Credit. The proceeds of such Advance shall be held by the Agent in a cash collateral account for the benefit of the Borrower and shall be applied in payment of such Letters of Credit if payment is required thereunder or otherwise as the Agent may require. The Borrower shall

execute and deliver as security for such Advance all such security as the Lenders may deem necessary or advisable including, without limitation, an assignment of credit balance in respect of such cash collateral account.

12.04 Remedies Cumulative and Waivers

For greater certainty, it is expressly understood and agreed that the respective rights and remedies of the Lenders and the Agent hereunder or under any other Loan Document or instrument executed pursuant to this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lenders or by the Agent of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or other document or instrument executed pursuant to this Agreement shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which any one or more of the Lenders and the Agent may be lawfully entitled for such default or breach. Any waiver by the Lenders or the Agent of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by the Lenders or the Agent shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lenders or the Agent under this Agreement or any other Loan Document or instrument executed pursuant to this Agreement as a result of any other default or breach hereunder or thereunder.

12.05 Termination of Lenders' Obligations

After the declaration of acceleration pursuant to Section 12.02, the Lenders shall be relieved of all obligations to provide any further Advances hereunder whether by Conversion or otherwise, or Letters of Credit; provided that the foregoing shall not prevent the Lenders from disbursing money hereunder in reduction of then outstanding Letters of Credit. For greater certainty any such Advances shall be at the sole discretion of the Lenders. During the existence of an Event of Default, the Agent may reallocate all Advances pro rata among the Lenders in such manner as the Agent determines is equitable.

12.06 Saving

The Lenders shall not be under any obligation to the Borrower or any other Person to realize any collateral or enforce the Security or any part thereof or to allow any of the collateral to be sold, dealt with or otherwise disposed of. The Lenders shall not be responsible or liable to the Obligors or any other Person for any loss or damage upon the realization or enforcement of, the failure to realize or enforce the collateral or any part thereof or the failure to allow any of the collateral to be sold, dealt with or otherwise disposed of or for any act or omission on their respective parts or on the part of any director, officer, agent, servant or adviser in connection with any of the foregoing, except that a Lender may be responsible or liable for any loss or damage arising from the wilful misconduct or negligence of that Lender.

12.07 **Perform Obligations**

If an Event of Default has occurred and is continuing and if the Borrower has failed to perform any of its covenants or agreements in the Loan Documents, the Majority Lenders, may, but shall be under no obligation to, instruct the Agent on behalf of the Lenders to perform any such covenants or agreements in any manner deemed fit by the Majority Lenders without thereby waiving any rights to enforce the Loan Documents. The reasonable expenses (including any legal costs) paid by the Agent and the Lenders in respect of the foregoing shall be an Obligation and shall be secured by the Security.

12.08 **Third Parties**

No Person dealing with the Lenders or any agent of the Lenders shall be required to inquire whether the Security has become enforceable, or whether the powers which the Lenders or the Agent are purporting to exercise have been exercisable, or whether any Obligations remain outstanding upon the security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the collateral charged by such Security or any part thereof.

12.09 **Set-Off or Compensation**

If an Event of Default has occurred and is continuing, each of the Lenders and each of their respective Affiliates is hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of any Obligor against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender has made any demand under this Agreement or any other Loan Document and although such obligations of the Obligor may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each the Lenders and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff, consolidation of accounts and bankers' lien) that the Lenders or their respective Affiliates may have. Each Lender agrees to promptly notify the Borrower and the Agent after any such setoff and application, but the failure to give such notice shall not affect the validity of such setoff and application. If any Affiliate of a Lender exercises any rights under this Section 12.09, it shall share the benefit received in accordance with Section 14.20 as if the benefit had been received by the Lender of which it is an Affiliate.

12.10 **Realization of Security**

Each of the Lenders acknowledges that the Agent holds the Security to secure all of the Obligations and upon the event of the occurrence of an Event of Default, the Agent shall act on the written instructions of the Majority Lenders as provided in this Agreement and shall distribute the net sale proceeds of realization of the Security to the Lenders in accordance with their Proportionate Share of the Obligations and in accordance with Section 12.11.

12.11 Application of Payments

Notwithstanding any other provision of this Agreement, the proceeds of realization of the Security or any portion thereof shall be distributed in the following order:

- (a) first, in payment of all costs and expenses incurred by the Agent in connection with such realization, including legal, accounting and receivers' fees and disbursements;
- (b) second, in payment of all costs and expenses incurred by the Lenders in connection with such realization, including legal, accounting and receivers' fees and disbursements;
- (c) third, against the Obligations to each Lender (but with respect to Hedge Arrangements, limited to Qualifying Hedge Arrangements) in accordance with its Proportionate Share;
- (d) fourth, against all other Obligations owing to the Lenders pursuant to Hedge Arrangements that were not paid in Section (c) above to each Lender based on the amount owing to such Lender divided by the aggregate amount owing to all Lenders; and
- (e) fifth, if all Obligations of the Borrower listed above have been paid and satisfied in full, any surplus proceeds of realization shall be paid to the Borrower unless otherwise required in accordance with Applicable Law.

ARTICLE 13 – COSTS, EXPENSES AND INDEMNIFICATION

13.01 Indemnification by the Borrower

The Borrower shall indemnify the Agent (and any sub-agent thereof), each Lender and the Issuing Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnatee") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable and itemized out-of-pocket fees, charges and disbursements of one counsel for the Indemnitees as a group and one additional counsel for similarly situated Indemnitees as a group in case of a conflict (in each case including one local counsel in the applicable jurisdictions), incurred by any Indemnatee or asserted against any Indemnatee by any third party or by any Obligor arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (ii) any Advance or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Lender to honour a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Obligor, or any Environmental Liability related in any way to any Obligor, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to

any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by an Obligor and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee, (y) result from a claim brought by the Borrower or any other Obligor against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Obligor has obtained a final and nonappealable judgment in its favour on such claim as determined by a court of competent jurisdiction or (z) if it arises from any dispute arising solely among Indemnitees other than claims against RBC in fulfilling its role as the Agent hereunder, nor shall it be available in respect of matters specifically addressed in Sections 15.01 and 15.02. This Section 13.01 shall not apply to Taxes, which are the subject of Section 15.02.

13.02 Reimbursement by Lenders

To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under Section 13.01 to be paid by them to the Agent (or any sub-agent thereof), the Issuing Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Agent (or any such sub-agent), the Issuing Lender or such Related Party, as the case may be, such Lender's Proportionate Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any such sub-agent) or the Issuing Lender, or against any Related Party of any of the foregoing acting for the Agent (or any such sub-agent) or the Issuing Lender in connection with such capacity. The obligations of the Lenders under this Section 13.02 are subject to the other provisions of this Agreement concerning several liability of the Lenders. This Section 13.02 shall not apply to Taxes, which are the subject of Section 15.02.

13.03 Waiver of Consequential Damages

To the fullest extent permitted by Applicable Law, the Obligors shall not assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Advance or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

13.04 Payments.

All amounts due under this Section shall be payable promptly within ten Business Days after demand therefor.

ARTICLE 14 – THE AGENT AND THE LENDERS

14.01 Appointment and Authority

Each of the Lenders and the Issuing Lender (and acting on behalf of its respective Affiliates parties to any Service Agreement or Hedging Arrangement) hereby irrevocably appoints RBC as the Agent to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent, the Lenders and the Issuing Lender, and no Obligor shall have rights as a third party beneficiary of any of such provisions.

14.02 Rights as a Lender

The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Obligor or any Affiliate thereof as if such Person were not the Agent and without any duty to account to the Lenders.

14.03 Exculpatory Provisions

(1) The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agent:

- (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;
- (b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents), but the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or Applicable Law; and
- (c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the person serving as the Agent or any of its Affiliates in any capacity.

(2) The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as is necessary, or as the Agent believes in good faith is necessary, under the provisions of the Loan Documents) or (ii) in the absence of its own gross negligence or wilful misconduct. The Agent shall be deemed not to have knowledge of any Default unless and until notice describing the Default is given to the Agent by the Borrower or a Lender.

(3) Except as otherwise expressly specified in this Agreement the Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition specified in this Agreement, other than to confirm receipt of items expressly required to be delivered to the Agent.

14.04 Reliance by the Agent

The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of an Advance, or the issuance of a Letter of Credit that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Lender, the Agent may presume that such condition is satisfactory to such Lender or the Issuing Lender unless the Agent shall have received notice to the contrary from such Lender or the Issuing Lender prior to the making of such Advance or the issuance of such Letter of Credit. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

14.05 Indemnification of the Agent

Each Lender agrees to indemnify the Agent and hold it harmless (to the extent not reimbursed by the Borrower), rateably according to its Proportionate Share (and not jointly or jointly and severally) from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the Agent in any way relating to or arising out of the Loan Documents or the transactions therein contemplated. However, no Lender shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from the Agent's gross negligence or wilful misconduct.

14.06 Delegation of Duties

The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent from among the Lenders (including the Person serving as Agent) and their respective Affiliates. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The provisions of this Article and other provisions of this Agreement for the benefit of the Agent shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Agent.

14.07 Replacement of Agent

(1) The Agent may at any time give notice of its resignation to the Lenders, the Issuing Lender and the Borrower. Upon receipt of any such notice of resignation, the Majority Lenders shall have the right, subject to the consent of the Borrower (provided no Event of Default has occurred and is continuing), to appoint a successor, which shall be a Lender having a Commitment to a revolving credit if one or more is established in this Agreement and having an office in Toronto, Ontario or Montreal, Quebec, or an Affiliate of any such Lender with an office in Toronto, Ontario or Montreal, Quebec. The Agent may also be removed at any time by the Majority Lenders upon 30 days' notice to the Agent and the Borrower as long as the Majority Lenders, subject to consent of the Borrower (provided no Event of Default has occurred and is continuing), appoint and obtain the acceptance of a successor within such 30 days, which shall be a Lender having a Commitment to a revolving credit if one or more is established in this Agreement and having an office in Toronto, Ontario or Montreal, Quebec, or an Affiliate of any such Lender with an office in Toronto, Ontario or Montreal, Quebec.

(2) If no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications specified in Section 14.01, provided that if the Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Agent on behalf of the Lenders under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender directly, until such time as the Majority Lenders appoint a successor Agent as provided for above in the preceding paragraph.

(3) Upon a successor's appointment as the Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former Agent, and the former Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided in the preceding paragraph). The fees payable by the Borrower to a successor Agent shall be the same as

those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the termination of the service of the former Agent, the provisions of this Article 14 and of Article 13 shall continue in effect for the benefit of such former Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the former Agent was acting as Agent.

(4) Any resignation by RBC as Agent pursuant to this section shall also constitute its resignation as Issuing Lender. If RBC resigns as an Issuing Lender, it shall retain all the rights, powers, privileges and duties of Issuing Lender hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as Issuing Lender and all Obligations with respect thereto, including the right to require the Lenders to make Prime Rate Advances or US Base Rate Advances, as the case may be, or fund risk participations with respect to Letters of Credit under Section 6.01(5). Upon the appointment by the Borrower of a successor Issuing Lender hereunder (which successor shall in all cases be a Lender other than a Non-Funding Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Lender, (b) the retiring Issuing Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor Issuing Lender shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to RBC to effectively assume the obligations of RBC with respect to such Letters of Credit.

14.08 Non-Reliance on the Agent and Other Lenders.

Each Lender and the Issuing Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Issuing Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

14.09 Collective Action of the Lenders

Each of the Lenders hereby acknowledges that to the extent permitted by Applicable Law, any collateral security and the remedies provided under the Loan Documents to the Lenders are for the benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder and under any collateral security are to be exercised not severally, but by the Agent upon the decision of the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Accordingly, notwithstanding any of the provisions contained herein or in any collateral security, each of the Lenders hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including, without limitation, any declaration of default hereunder or thereunder but that any such action shall be taken only by the Agent with the prior written agreement of the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Each of the Lenders hereby further covenants and

agrees that upon any such written agreement being given, it shall co-operate fully with the Agent to the extent requested by the Agent. Notwithstanding the foregoing, in the absence of instructions from the Lenders and where in the sole opinion of the Agent, acting reasonably and in good faith, the exigencies of the situation warrant such action, the Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the interest of the Lenders.

14.10 No Other Duties, etc.

Anything herein to the contrary notwithstanding, none of the “bookrunners”, “arrangers” or holders of similar titles, if any, specified in this Agreement shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Agent or a Lender hereunder.

14.11 Payments by the Borrower

(1) Prior to an Event of Default that is continuing, all payments made by or on behalf of the Borrower pursuant to this Agreement will be made to and received by the Agent on behalf of the Lenders and will be distributed by the Agent to the Lenders as soon as possible upon receipt by the Agent. Subject to Sections 8.02 and 12.11, unless otherwise specified herein, the Agent will distribute to the Lenders in accordance with each Lender’s Proportionate Share (but for the avoidance of doubt, not in this order):

- (a) payments of interest and standby fees;
- (b) costs and expenses;
- (c) repayments of principal;
- (d) prepayments of principal;
- (e) amounts received by the exercise of any right of set-off, consolidation of accounts, or by counterclaim or cross-action; and
- (f) all other payments received by the Agent.

14.12 Knowledge and Required Action

The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default (other than the non-payment of any principal, interest or other amount to the extent the same is required to be paid to the Agent for the account of the Lenders) unless the Agent has received notice from a Lender or the Borrower specifying such Default or Event of Default and stating that such notice is given pursuant to this Section. In the event that the Agent receives such a notice, it shall give prompt notice thereof to the Lenders, and shall also give prompt notice to the Lenders of each non-payment of any amount required to be paid to the Agent for the account of the Lenders. The Agent shall, subject to Section 14.13 take such action with respect to such Default or Event of Default as shall be directed by the Lenders in accordance with this Article 14 provided that, unless and until the Agent shall have received such direction the

Agent may, but shall not be obliged to, take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interest of the Lenders; and provided further that the Agent in any case shall not be required to take any such action which it determines to be contrary to the Loan Documents or to any Applicable Law.

14.13 Request for Instructions

The Agent may at any time request instructions from the Lenders with respect to any actions or approvals which, by the terms of any of the Loan Documents, the Agent is permitted or required to take or to grant, and the Agent shall be absolutely entitled to refrain from taking any such action or to withhold any such approval and shall not be under any liability whatsoever as a result thereof until it shall have received such instructions from the Lenders. No Lender shall have any right of action whatsoever against the Agent as a result of the Agent acting or refraining from acting under the Loan Documents in accordance with instructions from the Lenders. The Agent shall in all cases be fully justified in failing or refusing to take or continue any action under the Loan Documents unless it shall have received further assurances to its satisfaction from the Lenders of their indemnification obligations under Section 14.05 against any and all liability and expense which may be incurred by it by reason of taking or continuing to take such action, and unless it shall be secured in respect thereof as it may deem appropriate.

14.14 Actions by Lenders

(1) Any consent, waiver, approval (including without limitation any approval of or authorization for any amendment to any of the Loan Documents), instruction or other expression of the Lenders under any of the Loan Documents may be obtained by an instrument in writing signed in one or more counterparts by the Majority Lenders, or where required by Section 14.14(3) all of the Lenders (which instrument in writing, for greater certainty, may be delivered by facsimile or other electronic transmission).

(2) Any consent, waiver, approval (including without limitation any approval of or authorization for any amendment to any of the Loan Documents), instruction or other expression of the Lenders hereunder may also be included in a resolution that is submitted to a meeting or adjourned meeting of the Lenders duly called and held for the purpose of considering the same as hereinafter provided and shall be deemed to have been obtained if such resolution is passed by the affirmative vote of the Majority Lenders (or 100% in the event that there are only two Lenders) of the votes given on a poll of the Lenders with respect to such resolution. A meeting of Lenders may be called by the Agent and shall be called by the Agent upon the request of any two Lenders. Every such meeting shall be held in the City of Toronto or at such other reasonable place as the Agent may approve. At least seven days' notice of the time and place of any such meeting shall be given to the Lenders and shall include or be accompanied by a draft of the resolutions to be submitted to such meeting, but the notice may state that such draft is subject to amendment at the meeting or any adjournment thereof. The Lenders who are present in person or by proxy at the time and place specified in the notice shall constitute a quorum. A person nominated in writing by the Agent shall be chairman of the meeting. Lenders representing no less than 50.1% of the outstanding Advances must be present at a meeting or adjourned meeting. Upon every poll taken at any such meeting every Lender who is present in person or represented by a proxy duly appointed in writing (who need not be a Lender) shall be entitled to one vote in respect of each Cdn.\$1 of its Commitment.

In respect of all matters concerning the convening, holding and adjourning of Lenders' meetings, the form, execution and deposit of instruments appointing proxies and all other relevant matters, the Agent may from time to time make such reasonable regulations not inconsistent with this subsection 14.14(2) as it shall deem expedient and any regulations so made by the Agent shall be binding upon the Borrower, the Agent and the Lenders.

(3) Notwithstanding subsection 14.14(1), without the consent of each Lender directly affected thereby, the Agent may not take the following actions:

- (a) amend, modify, discharge, terminate or waive any of the terms of this Agreement if such amendment, modification, discharge, termination or waiver would increase the amount of the Revolving Facility, reduce the fees payable, reduce interest rates or other amounts payable with respect to the Revolving Facility, extend any date fixed for payment of principal, interest or other amounts payable relating to the Revolving Facility, extend the repayment dates of the Revolving Facility or change the definition of Majority Lenders or Applicable Margin (in each case above, other than in respect of the application (or waiver) of the default rate of interest, amendment to the definition of "Fixed Charge Coverage Ratio", "Senior Debt to EBITDA Ratio" and the component definitions thereof);
- (b) amend Section 3.02;
- (c) amend, modify, discharge, terminate or waive any of the Security (including a Guarantee) if the effect is to release all or substantially all of the Property subject thereto otherwise than pursuant to the terms hereof or thereof;
- (d) amend the definitions of "Borrowing Base", "Eligible Insured Accounts Receivable", "Eligible Canadian/US Accounts Receivable", "Eligible Inventory" or "Eligible Accounts Receivable"; or
- (e) amend this Section 14.14(3).

(4) An instrument in writing from the Majority Lenders (any such instrument in writing being an "Approval Instrument") shall (subject to the terms of Section 14.14(3)) be binding upon all of the Lenders, and the Agent (subject to the provisions for its indemnity contained in this Agreement) shall be bound to give effect thereto accordingly. For greater certainty, to the extent so authorized in the Approval Instrument, the Agent shall be entitled (but not obligated) to execute and deliver on behalf of the Agent and all of the Lenders, without the requirement for the execution by any other Lender or Lenders, any consents, waivers, documents or instruments (including without limitation any amendment to any of the Loan Documents) necessary or advisable in the opinion of the Agent to give effect to the matters approved by the Majority Lenders or all of the Lenders, as the case may be, in any Approval Instrument. For greater certainty any amendment to this Agreement or any Loan Document also requires the consent of the Borrower in writing.

(5) In the event that (x) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by Section 14.14(3), the consent of the Majority Lenders shall have been obtained but the consent of

one or more of such other Lenders (each a “**Non-Consenting Lender**”) whose consent is required shall not have been obtained or (y) in the case of a Non-Funding Lender; then, with respect to each Non-Consenting Lender or Non-Funding Lender (the “**Terminated Lender**”) the Borrower may, by giving written notice to the Agent and any Terminated Lender of its election to do so, elect to cause such Terminated Lender (and such Terminated Lender hereby irrevocably agrees) to assign its outstanding Advances and its Revolving Facility Commitment, in full to one or more Eligible Assignees (each a “**Replacement Lender**”) in accordance with the provisions of this Agreement and the Borrower shall pay the fees, if any, payable thereunder in connection with any assignment from the Terminated Lender; provided:

- (a) on the date of such assignment, the Replacement Lender shall pay to the Terminated Lender an amount equal to the sum of (a) an amount equal to the principal of, and all accrued interest on, all outstanding Advances of the Terminated Lender, (b) an amount equal to all unreimbursed drawings that have been funded by such Terminated Lender, together with all then unpaid interest with respect thereto at such time, and (c) an amount equal to all accrued, but theretofore unpaid fees owing to such Terminated Lender pursuant to this Agreement;
- (b) on the date of such assignment, the Borrower shall pay any amounts payable to such Terminated Lender in respect to any Breakage Costs or otherwise owed as a consequence of such repayment or otherwise as if it were a prepayment; and
- (c) each Replacement Lender shall consent, at the time of such assignment, to each matter in respect of which such Terminated Lender was a Non-Consenting Lender;

provided, the Borrower may not make such election with respect to any Terminated Lender that is also the Issuing Lender unless, prior to the effectiveness of such election, the Borrower shall cause each outstanding Letter of Credit issued by the Issuing Lender to be cancelled or cash collateralized or otherwise supported in a manner satisfactory to the Issuing Lender. Upon the prepayment of all amounts owing to any Terminated Lender and the termination of such Terminated Lender’s Revolving Facility Commitment, such Terminated Lender shall no longer constitute a “Lender” for purposes hereof; provided, any rights of such Terminated Lender to indemnification hereunder shall survive as to such Terminated Lender.

(6) Any relevant guarantee and Security shall be automatically released in connection with a Permitted Disposition to the extent relating to the property subject to such Disposition. The Agent is authorized, without further action by the Lenders, to execute related documents in connection with such release.

14.15 Provisions for Benefit of Lenders Only

The provisions of this Article 14, other than this Section 14.15, Section 14.09, Section 14.11, Section 14.14 and the rights of the Borrower to receive notice as specified in this Article 14 relating to the rights and obligations of the Lenders and the Agent *inter se* shall be

operative as between the Lenders and the Agent only, and the Obligors shall not have any rights under or be entitled to rely for any purposes upon such provisions.

14.16 Payments by the Agent

(1) For greater certainty, the following provisions shall apply to any and all payments made by the Agent to the Lenders hereunder:

- (a) the Agent shall be under no obligation to make any payment (whether in respect of principal, interest, fees or otherwise) to any Lender until an amount in respect of such payment has been received by the Agent from the Borrower;
- (b) if the Agent receives less than the full amount of any payment of principal, interest, fees or other amount owing by the Borrower under this Agreement, then subject to Section 8.02 the Agent shall have no obligation to remit to each Lender any amount other than such Lender's Proportionate Share of that amount which is the amount actually received by the Agent;
- (c) if any Lender advances more or less than its Proportionate Share of the Revolving Facility, such Lender's entitlement to such payment shall be increased or reduced, as the case may be, in proportion to the amount actually advanced by such Lender;
- (d) the Agent acting reasonably and in good faith shall, after consultation with the Lenders in the case of any dispute, determine in all cases the amount of all payments to which each Lender is entitled and such determination shall, in the absence of manifest error, be binding and conclusive;
- (e) upon request, the Agent shall deliver a statement detailing any of the payments to the Lenders referred to herein; and
- (f) all payments by the Agent to a Lender hereunder shall be made to such Lender at its address set forth in the signature pages on this Agreement or on the applicable Assignment and Assumption unless notice to the contrary is received by the Agent from such Lender.

(2) Unless the Agent has actual knowledge that the Borrower has not made or will not make a payment to the Agent for value on the date in respect of which the Borrower has notified the Agent that the payment will be made and except to the extent that the Agent has received notice under Section 8.02, the Agent shall be entitled to assume that such payment has been or will be received from the Borrower when due and the Agent may (but shall not be obliged to), in reliance upon such assumption, pay the Lenders corresponding amounts. If the payment by the Borrower is in fact not received by the Agent on the required date and the Agent has made available corresponding amounts to the Lenders, the Borrower shall, without limiting its other obligations under this Agreement, indemnify the Agent against any and all liabilities, obligations, losses (other than loss of profit), damages, penalties, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on or incurred by the Agent as a result. A certificate of the Agent

with respect to any amount owing by the Borrower under this Section shall be *prima facie* evidence of the amount owing in the absence of manifest error.

14.17 Acknowledgements, Representations and Covenants of Lenders

(1) Each Lender represents and warrants that it has the legal capacity to enter into this Agreement pursuant to its charter and any applicable legislation and has not violated its charter, constating documents or any applicable legislation by so doing.

(2) Each of the Lenders acknowledges and confirms that in the event that the Agent does not receive payment in accordance with this Agreement, it shall not be the obligation of the Agent to maintain the Revolving Facility in good standing nor shall any Lender have recourse to the Agent in respect of any amounts owing to such Lender under this Agreement.

(3) Each Lender acknowledges and agrees that its obligation to advance its Proportionate Share of Advances in accordance with the terms of this Agreement is independent and in no way related to the obligation of any other Lender hereunder.

(4) Each Lender hereby acknowledges receipt of a copy of this Agreement and acknowledges that it is satisfied with the form and content of such documents.

(5) Except to the extent recovered by the Agent from the Borrower, promptly following demand therefor, each Lender shall pay to the Agent an amount equal to such Lender's Proportionate Share of any and all reasonable costs, expenses, claims, losses and liabilities incurred by the Agent in connection with this Agreement except for those incurred by reason of the Agent's negligence or wilful misconduct.

(6) Each Lender shall respond promptly to each request by the Agent for the consent of such Lender required hereunder.

(7) Each Lender that assigns all or a portion of its rights and obligations under this Agreement shall pay to the Agent a processing and recordation fee of Cdn.\$3,500 with respect to each such assignment in accordance with Section 16.02(6).

14.18 Rights of the Agent

(1) In administering the Revolving Facility, the Agent may retain, at the expense of the Lenders if such expenses are not recoverable from the Borrower, such solicitors, counsel, auditors and other experts and agents as the Agent may select, in its sole discretion, acting reasonably and in good faith after consultation with the Lenders.

(2) The Agent shall be entitled to rely on any communication, instrument or document believed by it to be genuine and correct and to have been signed by the proper individual or individuals, and shall be entitled to rely and shall be protected in relying as to legal matters upon opinions of independent legal advisors selected by it. The Agent may also assume that any representation made by the Borrower is true and that no Default or Event of Default has occurred unless the officers or employees of the Lender acting as Agent, active in their capacity as officers

or employees responsible for the Borrower's account, have actual knowledge to the contrary or have received notice to the contrary from any other party to this Agreement.

(3) Except in its own right as a Lender, the Agent shall not be required to advance its own funds for any purpose, and in particular, shall not be required to pay with its own funds insurance premiums, taxes or public utility charges or the cost of repairs or maintenance with respect to the assets which are the subject matter of the Security, nor shall it be required to pay with its own funds the fees of solicitors, counsel, auditors, experts or agents engaged by it as permitted hereby.

(4) The Agent may round an individual Lender's Proportionate Share of any Advance to the nearest \$100,000 in Canadian Dollars or United States Dollars, as the case may be.

(5) The Agent shall be entitled to scan and provide by email to the Lenders all financial information it receives from the Borrower pursuant to Section 10.03.

14.19 Non-Funding Lenders

(1) Each Non-Funding Lender shall be required to provide to the Agent (A) cash or Cash Equivalents in an amount equal to 105% of such Non-Funding Lender's Proportionate Share of the face amount of outstanding Letters of Credit, and (B) cash or Cash Equivalents in an amount, as shall be determined from time to time by the Agent in its discretion, equal to all other obligations of such Non-Funding Lender to the Agent that are owing or may become owing pursuant to this Agreement, including, without limitation, such Non-Funding Lender's obligation to pay its Proportionate Share of any indemnification or expense reimbursement amounts not paid by the Borrower. Such cash or Cash Equivalents shall be held by Agent in one or more cash collateral accounts which accounts shall be in the name of the Agent and shall not be required to be interest bearing. The Agent shall be entitled to apply the foregoing cash and Cash Equivalents in accordance with Section 12.11. Notwithstanding anything in this Agreement to the contrary, so long as there is a Non-Funding Lender it shall be within the sole and joint determination of the Issuing Lender as to whether it is agreeable to issue any new Letters of Credit or extend or renew any expiring Letters of Credit unless the unused Commitments of the other Lenders are sufficient to accommodate such new Letters of Credit or the Borrower provides any cash collateral in respect of the shortfall.

(2) Neither the Agent nor any of its Affiliates nor any of their respective officers, directors, employees, agents or representatives shall be liable to any Lender (including, without limitation, a Non-Funding Lender) for any action taken or omitted to be taken by it in connection with amounts payable by the Borrower to a Non-Funding Lender and received and deposited by the Agent in a cash collateral account and applied in accordance with the provisions of this Agreement save and except for the gross negligence or wilful misconduct of the Agent as determined by a final non-appealable judgment of a court of competent jurisdiction.

(3) The Agent shall be entitled to set off any Non-Funding Lender's Proportionate Share of all payments received from the Borrower against such Non-Funding Lender's obligations to fund payments and Advances required to be made by it and to purchase participations required to be purchased by it in each case under this Agreement and the other Loan Documents. The Agent

shall be entitled to withhold and deposit in one or more non-interest bearing cash collateral accounts in the name of the Agent all amounts (whether principal, interest, fees or otherwise) received by the Agent and due to a Non-Funding Lender pursuant to this Agreement which amounts shall be used by the Agent (A) first, to reimburse (I) the Agent for any amounts owing to it by the Non-Funding Lender pursuant to any Loan Document, and then to reimburse (II) the Issuing Lender for any amounts paid by it that has not been fully reimbursed due to such Non-Funding Lender not funding its Proportionate Share of the applicable Advance, (B) second, to repay any Advances made by a Lender in order to fund a shortfall created by a Non-Funding Lender which repayment shall be in the form of an assignment by each such Lender of such Advance to the Non-Funding Lender, (C) third, (I) first, to cash collateralize all other obligations of such Non-Funding Lender to the Agent owing pursuant to this Agreement in such amount as shall be determined from time to time by the Agent in its discretion including, without limitation, such Non-Funding Lender's obligation to pay its Proportionate Share of any indemnification or expense reimbursement amounts not paid by the Borrower and (II), second, to maintain cash collateral for a Non-Funding Lender's Proportionate Share of reimbursement obligations for Letters of Credit, and (D) fourth, at the Agent's discretion, to fund from time to time the Non-Funding Lender's Proportionate Share of Advances under the Revolving Facility.

(4) For certainty, a Non-Funding Lender will have no voting or consent rights with respect to matters under this Agreement or other Loan Documents. Accordingly, the Commitments and the aggregate unpaid principal amount of the Advances owing to any Non-Funding Lender shall be disregarded in determining Majority Lenders and all Lenders or all affected Lenders. Notwithstanding the foregoing, should a Non-Funding Lender (i) fund all outstanding Advances that it previously failed to fund and pay all other amounts owing to Agent, and (ii) confirm in writing to the Agent that there is no reasonable likelihood that it will subsequently again become a Non-Funding Lender, then such Lender shall thereafter be entitled to vote and shall have consent rights in the same manner and fashion as if it were not a Non-Funding Lender. During the period in which a Lender is a Non-Funding Lender, it shall not be entitled to receive payment of standby fees owing hereunder.

14.20 Sharing of Payments by Lenders

If any Lender, by exercising any right of setoff or counterclaim or otherwise, obtains any payment or other reduction that might result in such Lender receiving payment or other reduction of a proportion of the aggregate amount of its Advances and accrued interest thereon or other obligations hereunder greater than its *pro rata* share thereof as provided herein, then the Lender receiving such payment or other reduction shall (a) notify the Agent of such fact, and (b) purchase (for cash at face value) participations in the Advances and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders rateably in accordance with the aggregate amount of principal of and accrued interest on their respective Advances and other amounts owing them, provided that:

(1) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest;

(2) the provisions of this Section shall not be construed to apply to (x) any payment made by any Obligor pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Advances or participation in disbursements under Letters of Credit to any assignee or participant, other than to any Obligor or any Affiliate of an Obligor (as to which the provisions of this Section shall apply); and

(3) the provisions of this Section shall not be construed to apply to (w) any payment made while no Event of Default has occurred and is continuing in respect of obligations of the Borrower to such Lender that do not arise under or in connection with the Loan Documents, (x) any payment made in respect of an obligation that is secured by a Permitted Encumbrance or that is otherwise entitled to priority over the Borrower's obligations under or in connection with the Loan Documents, (y) any reduction arising from an amount owing to an Obligor upon the termination of derivatives entered into between the Obligor and such Lender, or (z) any payment to which such Lender is entitled as a result of any form of credit protection obtained by such Lender.

14.21 Agent's Clawback

(1) Funding by the Lenders: Presumption by the Agent. Unless the Agent shall have received notice from a Lender prior to the proposed date of any advance of funds that such Lender will not make available to the Agent such Lender's share of such advance, the Agent may assume that such Lender has made such share available on such date in accordance with the provisions of this Agreement concerning funding by Lenders and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event if a Lender has not in fact made its share of the applicable advance available to the Agent, then the applicable Lender shall pay to the Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Agent, at a rate determined by the Agent in accordance with prevailing banking industry practice on Interbank compensation. If such Lender pays such amount to the Agent, then such amount shall constitute such Lender's Advance included in such advance. If such Lender does not do so forthwith, the Borrower shall pay to the Agent forthwith on demand such corresponding amount with interest thereon at the interest rate applicable to the advance in question. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that has failed to make such payment to the Agent.

(2) Payments by the Borrower: Presumptions by the Agent. Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Agent for the account of any Lender hereunder that the Borrower will not make such payment the Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute the amount due to the Lenders. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Agent, at a rate determined by the Agent in accordance with prevailing banking industry practice on Interbank compensation.

14.22 Quebec Security

(1) As part of its powers as the Agent pursuant to the terms hereof or of the Loan Documents, for the purposes of holding any Encumbrances granted by the Obligors under the laws of the Province of Québec pursuant to the Security, each of the Lenders and their Affiliates hereby acknowledge that the Agent shall be and act as the hypothecary representative of all present and future Lenders and their Affiliates for all purposes of Article 2692 of the Civil Code of Québec (in such capacity, the “**hypothecary representative**”). Each of the Lenders and their Affiliates therefore appoints, to the extent necessary, the Agent as its hypothecary representative to hold the Encumbrances created pursuant to the Security governed by the laws of the Province of Quebec in order to secure the Obligations and to exercise such rights and duties as are conferred upon the hypothecary representative under the relevant Security governed by the laws of the Province of Quebec and Applicable Laws (with the power to delegate any such rights or duties). By executing an Assignment and Assumption, each assignee shall be deemed to ratify the appointment of the Agent as the hypothecary representative of such assignee. For certainty, the Agent accepts to act as hypothecary representative of all present and future Lenders and their Affiliates for all purposes of Article 2692 of the Civil Code of Québec.

(2) The Lenders and their Affiliates hereby ratify and confirm for all purposes of this Section 14.20 the entering into by the Agent (or such designated collateral agent) as hypothecary representative of any deed of hypothec contemplated hereby which has been executed prior to the date hereof. In the event the Agent is replaced in accordance with the terms of this Agreement, the successor Agent shall also constitute the replacement hypothecary representative for the purposes of any hypothec referred to above without any further formality (subject to the registration at the Register of Personal and Movable Real Rights of a notice of replacement for the purposes of exercising the rights relating to any such hypothec, as contemplated by Article 2692 of the Civil Code of Quebec). The Agent, in acting as hypothecary representative, shall benefit from all protections and exclusions or limitations of liability as are conferred upon it as the Agent hereunder.

14.23 Parallel Debt

(1) Definitions. In this Section:

“**Corresponding Debt**” means the Obligations.

“**Parallel Debt**” means any amount which the Borrower or a Guarantor owes to the Agent under this Section 14.23.

(2) The Borrower and each Guarantor irrevocably and unconditionally undertakes to pay to the Agent amounts equal to, and in the currency or currencies of, its Corresponding Debt.

(3) The Parallel Debt of the Borrower and each Guarantor:

- (a) shall become due and payable at the same time as its Corresponding Debt; and
- (b) is independent and separate from, and without prejudice to, its Corresponding Debt.

- (4) For purposes of this Section 14.23, the Agent:
- (a) is the independent and separate creditor of each Parallel Debt;
 - (b) acts in its own name and not as agent, representative or trustee of the Lenders and its claims in respect of each Parallel Debt shall not be held on trust; and
 - (c) shall have the independent and separate right to demand payment of each Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).

(5) Any amount due and payable by the Borrower and each Guarantor to the Agent under this Section 14.23 shall be decreased to the extent that the Lenders have received (and are able to retain) payment under the other provisions of the Loan Documents and any amount due and payable by the Borrower and each Guarantor to the Lenders under those provisions shall be decreased to the extent that the Agent has received (and is able to retain) payment under this Section 14.23.

(6) The rights of the Lenders to receive payment of amounts payable by the Borrower and each Guarantor under the Loan Documents are several and are separate and independent from, and without prejudice to, the rights of the Agent to receive payment under this Section 14.23.

(7) This Section 14.23 applies for the purpose of determining the secured obligations in any Security Document.

ARTICLE 15 – TAXES AND CHANGE OF CIRCUMSTANCES

15.01 Increased Costs

- (1) Increased Costs Generally. If, from time to time, any Change in Law shall:
- (a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;
 - (b) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Advance made by it, or change the basis of taxation of payments to such Lender in respect thereof, except for Excluded Taxes or for Indemnified Taxes or Other Taxes covered by Section 15.02, or
 - (c) impose on any Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or Advances made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of (or a reduction in the amount received or receivable by such Lender in connection with) making or maintaining

any Advance (or of maintaining its obligation to make any such Advance or issuing or participating in Letters of Credit), then upon written request of such Lender from time to time setting forth in reasonable detail any such increased costs, the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered. Each Lender agrees (subject to legal and regulatory restrictions) to use commercially reasonable efforts to designate a different Applicable Lending Office if such designation will avoid the need for, or will reduce the amount of, such compensation and will not, in the good faith judgment of such Lender, be otherwise disadvantageous to subject such Lender to any unreimbursed cost or expense.

Notwithstanding anything contained in this Agreement, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof and (ii) all requests, rules, regulations, guidelines or directives whether concerning capital adequacy or liquidity promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall, in each case, be deemed a “Change in Law” regardless of the date enacted, adopted, applied or issued.

(2) Capital and Liquidity Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender’s holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender’s capital or on the capital of such Lender’s holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by, or the Letters of Credit issued or participated in by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration such Lender’s policies and the policies of its holding company with respect to, as applicable, capital adequacy or liquidity requirements), then from time to time upon written request of such Lender setting forth the calculation of the reduced return in reasonable detail the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.

(3) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (1) or (2) of this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower from time to time shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

(4) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender’s right to demand such compensation, except that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered (i) more than six months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender’s intention to claim compensation therefore, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the six -month period referred to above shall be extended to include the period of

retroactive effect thereof, and (ii) for which such Lender is not seeking similar compensation from similar borrowers.

15.02 Taxes

(1) Payments Subject to Taxes. Any and all payments by the Borrower (including any Subsidiary for whose account a Letter of Credit is issued) or any Guarantor to or for the account of any Agent or Lender under any Loan Document shall be made free and clear of and without deduction or withholding for any Indemnified Taxes, except as required by Applicable Law. If any Obligor, the Agent, any Lender or Issuing Lender is required by Applicable Law to deduct or pay any Indemnified Taxes in respect of any payment by or on account of any obligation of an Obligor hereunder or under any other Loan Document, then the sum payable shall be increased by that Obligor as necessary so that after making or allowing for all required deductions, withholdings and payments (including deductions and payments applicable to additional sums payable under this Section) the Agent, Lender or Issuing Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions, withholdings and payments in respect of Indemnified Taxes been required or made. If any Applicable Law requires the deduction of any Tax from any such payment by the Obligor, (i) the Obligor shall make any such deductions or withholdings required to be made by it under Applicable Law and (ii) the Obligor shall timely pay the full amount required to be deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law.

(2) Payment of Other Taxes by the Borrower. Without limiting the provisions of paragraph (1) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Agent timely reimburse it for the payment thereof.

(3) Indemnification by the Borrower. The Borrower shall, indemnify the Agent, each Lender and the Issuing Lender, within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) withheld or deducted on payments to, or paid by, the Agent, such Lender or the Issuing Lender in respect of any payment by or on account of any obligation of an Obligor hereunder or any other Loan Document and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(4) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes by an Obligor to a Governmental Authority pursuant to this Section 15.02, the Obligor shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent (it being understood and agreed that any information contained therein that any Lender or Agent may reasonably deem to be confidential may be deleted or redacted).

(5) Treatment of Certain Refunds and Tax Reductions. If the Agent or a Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes as to which it has been indemnified by the Borrower or with respect to which an Obligor has paid additional amounts pursuant to this Section 15.02, it shall pay to the Borrower or Obligor, as applicable, an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or Obligor under this Section with respect to the Indemnified Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of the Agent or such Lender, as the case may be, and without interest. The Borrower or Obligor as applicable, upon the request of the Agent or such Lender, shall repay the amount paid over to the Borrower or Obligor pursuant to this paragraph (5) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Agent or such Lender if the Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (5), in no event will the Agent or a Lender be required to pay any amount to the Borrower or Obligor pursuant to this paragraph (5) the payment of which would place the Agent or such Lender in a less favorable net after-Tax position than the Agent or Such Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require the Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person, to arrange its affairs in any particular manner or to claim any available refund.

(6) Status of Lenders. To the extent that deductions or withholdings apply to any payment to be made to any Agent or Lender, such Agent or Lender that is entitled to an exemption from or reduction of any withholding tax with respect to any payments hereunder or under any other Loan Document shall, to the extent it may lawfully do so, deliver to the Borrower and to the Agent, at the time or times reasonably requested by the Borrower or the Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding and certifying as to any entitlement of such Lender to an exemption from, or reduction in, withholding Tax with respect to any payments to be made to such Agent or Lender under the Loan Documents. In addition, any Lender, if required by the Borrower or the Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to withholding, backup withholding or information reporting requirements. Unless the applicable withholding agent has received forms or other documents satisfactory to it indicating that payments under any Loan Documents to or for a Lender are not subject to withholding tax or are subject to such tax at a reduced rate by an applicable tax treaty, the applicable withholding agent shall withhold amounts required to be withheld by Applicable Law from such payments at the applicable statutory rate. Each Lender shall, from time to time after the initial delivery by such Lender of the forms described above, upon the expiration, obsolescence, inaccuracy or invalidity of any previously delivered form or at the request of the Agent or the Borrower, (a) deliver to the Borrower and the Agent renewals, amendments or additional or successor forms, together with any other certificate or statement of exemption required in order to confirm or establish such Lender's status or that such Lender is entitled to an exemption from or reduction in withholding tax or (b) notify the Agent and the Borrower of its inability to deliver any such forms, certificates

or other evidence. Notwithstanding anything to the contrary in this paragraph (6), the completion, execution and submission of such documentation (other than such documentation set forth below in paragraph (8)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(7) Indemnification by the Lenders. Each Lender shall severally indemnify the Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Obligors have not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of Obligors to do so) and (ii) any Taxes (other than Indemnified Taxes) attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this paragraph (7).

(8) FATCA. If a payment made to a Lender under any Loan Document would be subject to United States federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Revenue Code, as applicable), such Lender shall deliver to Borrower and the Agent at the time or times prescribed by Applicable Law and at such time or times reasonably requested by Borrower or the Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Revenue Code) and such additional documentation reasonably requested by Borrower or the Agent as may be necessary for Borrower and the Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this paragraph (8), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(9) Survival. Each party's obligations under this Section 15.02 shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge or all obligations under any Loan Document.

15.03 Mitigation Obligations: Replacement of Lenders

(1) Designation of a Different Lending Office. If any Lender requests compensation under Section 15.01, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 15.02, then such Lender shall use commercially reasonable efforts to (subject to legal and regulatory restrictions) designate a different lending office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable

pursuant to Section 15.01 or 15.02, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(2) Replacement of Lenders. If any Lender requests compensation under Section 15.01, if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 15.02, if any Lender's obligations are suspended pursuant to Section 15.04 or if any Lender defaults in its obligation to fund Advances hereunder, then the Borrower may, at its sole expense and effort, upon 10 days' notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Article 16 (if any)), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

- (a) the Borrower pays the Agent the assignment fee specified in Section 16.02(6);
- (b) the assigning Lender receives payment of an amount equal to the outstanding principal of its Advances and participations in disbursements under Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any Breakage Costs and amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);
- (c) in the case of any such assignment resulting from a claim for compensation under Section 15.01 or payments required to be made pursuant to Section 15.02, such assignment will result in a reduction in such compensation or payments thereafter; and
- (d) such assignment does not conflict with Applicable Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

15.04 Illegality

If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make or maintain any Advance (or to maintain its obligation to make any Advance), or to participate in, issue or maintain any Letter of Credit (or to maintain its obligation to participate in or to issue any Letter of Credit), or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Agent, any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Agent and the Borrower that the circumstances giving rise to such determination no

longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Agent), prepay or, if conversion would avoid the activity that is unlawful, convert any Advances, or take any necessary steps with respect to any Letter of Credit in order to avoid the activity that is unlawful. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

ARTICLE 16 – SUCCESSORS AND ASSIGNS AND ADDITIONAL LENDERS

16.01 **Successors and Assigns Generally.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Obligor may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations, hereunder except (i) to an Eligible Assignee in accordance with the provisions of Section 16.02, (ii) by way of participation in accordance with the provisions of Section 16.04, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 16.05 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 16.04 and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

16.02 **Assignment by Lenders.** Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); *provided that*:

(1) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Advances at the time owing to it or in the case of an assignment to a Lender, the aggregate amount of the Commitment being assigned (which for this purpose includes Advances outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advance of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than Cdn.\$5,000,000, unless each of the Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents to a lower amount (each such consent not to be unreasonably withheld or delayed);

(2) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advance or the Commitment assigned; except that this clause (2) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate credits on a non-pro rata basis;

(3) any assignment of a Commitment relating to a credit under which Letters of Credit may be issued must be approved by any Issuing Lender (such approval not to be unreasonably withheld or delayed), unless the Person that is the proposed assignee is itself already a Lender with a Commitment under that credit;

(4) any assignment must be approved by the Agent (such approval not to be unreasonably withheld or delayed) unless the proposed assignee is itself already a Lender with the same type of Commitment;

(5) any assignment must be approved by the Borrower (in its sole discretion) unless (A) the proposed assignee is itself already a Lender (or an Affiliate of a Lender) with the same type of Commitment, or (B) an Event of Default has occurred and is continuing;

(6) the parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee in an amount of Cdn.\$3,500 and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Agent an Administrative Questionnaire; and

(7) except if an Event of Default has occurred and is continuing, no assignment or partial assignment may be made to a Person who is a competitor of the Obligors.

Subject to acceptance and recording thereof by the Agent pursuant to Section 16.03, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement and the other Loan Documents, including any collateral security, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Article 13 and Article 15, and shall continue to be liable for any breach of this Agreement by such Lender, with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph (other than a participation described in Section 16.04) shall be null and void as against the Borrower. Any payment by an assignee to an assigning Lender in connection with an assignment or transfer shall not be or be deemed to be a repayment by the Borrower or a new Advance to the Borrower.

16.03 **Register.** The Agent shall maintain at one of its offices in Toronto, Ontario or Montreal, Quebec a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the

Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

16.04 **Participations.** Any Lender may at any time, without the consent of, or notice to, the Borrower or the Agent, sell participations to any Person (other than a natural person, an Obligor or any Affiliate of an Obligor, a competitor to the Obligors, or a Disqualified Institution) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Advances owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any payment by a Participant in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Advance to the Borrower.

The voting rights of any Participants shall (i) be limited to matters in respect of (a) increases in Commitments of such Participant, (b) reductions of principal, interest or fees payable to such Participant, (c) extensions of final maturity or scheduled amortization of the Advances or Commitments in which such Participant participates and (d) releases of all or substantially all of the value of the guarantees, or all or substantially all of the collateral and (i) for clarification purposes, not include the right to vote on waivers of Defaults or Events of Default.

16.05 **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under the Agreement to secure obligations of such Lender, but no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

ARTICLE 17 – GENERAL

17.01 **Exchange and Confidentiality of Information**

The Borrower authorizes and consents to the reproduction, disclosure and use by the Agent and Lenders of information about the Borrower (including, without limitation, the Borrower's name and any identifying logos) and the transactions herein contemplated to enable the Agent and/or the Lenders to publish promotional "tombstones" and other forms of notices of the transactions contemplated herein in any manner and in any media (including, without limitation, brochures) and the reproduction, disclosure and use of such information shall be subject to the prior approval of the Borrower acting reasonably. The Borrower acknowledges and agrees that no compensation will be payable by the Agent or any Lender resulting therefrom, and that the Agent and the Lender shall have no liability whatsoever to the Borrower or any of its employees, officers, directors, affiliates or shareholders in obtaining and using such information in accordance with the terms hereof.

17.02 **Nature of Obligations under this Agreement**

(1) The obligations of each Lender and of the Agent under this Agreement are several and not joint and several. The failure of any Lender to carry out its obligations hereunder shall not relieve the other Lenders, the Agent or the Borrower of any of their respective obligations

hereunder. Neither the entering into of this Agreement nor the completion of any transactions contemplated herein shall constitute the Lenders a partnership.

(2) Neither the Agent nor any Lender shall be responsible for the obligations of any other Lender hereunder.

17.03 Addresses, Etc. for Notices

(1) The addresses and telecopier numbers for the purposes of notices and other communications to the Borrower and the Agent are set out on the signatures pages and Schedules to this Agreement.

(2) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 17.03(3)), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the addresses or telecopier numbers specified elsewhere in this Agreement or, if to a Lender, to it at its address or telecopier number specified in the Register or, if to an Obligor other than the Borrower, in care of the Borrower.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given on a business day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in Section 17.03(3) below shall be effective as provided in Section 17.03(3).

(3) Electronic Communications. Notices and other communications to the Lenders and the Issuing Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender of Advances to be made or Letters of Credit to be issued if such Lender has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Agent otherwise prescribes, (i) notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing

clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(4) Change of Address, Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

17.04 Governing Law and Submission to Jurisdiction

(1) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

(2) Submission to Jurisdiction. Each Obligor irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Ontario, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Obligor or its properties in the courts of any jurisdiction.

(3) Waiver of Venue. Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 17.04(2). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

17.05 Judgment Currency

(1) If for the purpose of obtaining or enforcing judgment against the Borrower or any Obligor in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 17.05 referred to as the “**Judgment Currency**”) an amount due in Canadian Dollars or United States Dollars under this Agreement, the conversion shall be made at the rate of exchange prevailing on the Business Day immediately preceding:

- (a) the date of actual payment of the amount due, in the case of any proceeding in the courts of the Province of Ontario or in the courts of any other jurisdiction that will give effect to such conversion being made on such date; or
- (b) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 17.05(1)(b) being hereinafter in this Section 17.05 referred to as the “**Judgment Conversion Date**”).

(2) If, in the case of any proceeding in the court of any jurisdiction referred to in Section 17.05(1)(b), there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the Borrower shall pay such additional or lesser amount as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of Canadian Dollars or United States Dollars, as the case may be, which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.

(3) Any amount due from the Borrower under the provisions of Section 17.05(2) shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Agreement.

(4) The term "rate of exchange" in this Section 17.05 means the noon rate of exchange based on Canadian interbank transactions in Canadian Dollars or United States Dollars, as the case may be, in the Judgment Currency published or quoted by the Bank of Canada for the day in question, or if such rate is not so published or quoted by the Bank of Canada, such term shall mean the Equivalent Amount of the Judgment Currency.

17.06 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the Borrower, the Lenders, the Agent and their respective permitted successors and permitted assigns.

17.07 Survival

The provisions of Article 13 shall survive the repayment of all Advances, whether on account of principal, interest or fees, and the termination of this Agreement, unless a specific release of such provisions by the Agent, on behalf of the Lenders, is delivered to the Borrower.

17.08 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

17.09 Whole Agreement

This Agreement (along with the other Loan Documents) constitutes the whole and entire agreement between the parties hereto and cancels and supersedes any prior agreements, undertakings, declarations, commitments, representations, written or oral, in respect thereof.

17.10 Further Assurances

The Borrower, each Lender and the Agent shall promptly cure any default by it in the execution and delivery of this Agreement, the Loan Documents or of any of the agreements provided for hereunder to which it is a party. The Borrower, at its expense, shall promptly execute

and deliver to the Agent, upon reasonable request by the Agent, all such other and further documents, agreements, opinions, certificates and instruments in compliance with and required to give effect to the covenants and agreements of the Borrower hereunder or to make any recording, file any notice or obtain any consent contemplated herein.

17.11 Waiver of Jury

EACH PARTY HERETO HEREBY IRREVOCABLY 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 OR 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 PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON 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 AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

17.12 Counterpart; Integration; Effectiveness; Electronic Execution

(1) Counterparts; Integration; Effectiveness: This Agreement 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. This Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to the Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 3.01, this Agreement shall become effective when it has been executed by the Agent and when the Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

(2) Electronic Execution. The words “execution”, “signed”, “signature”, and words of like import in this Agreement and in any other Loan Documents including any Agreement Assignment and Assumption, shall be deemed to include electronic signatures 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.

17.13 Treatment of Certain Information; Confidentiality

(1) Each of the Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to it, its Affiliates

and its Affiliates' respective partners, directors, officers, employees, agents and advisors on a need to know basis only (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap, derivative, credit-linked note or similar transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this section or (y) becomes available to the Agent or any Lender on a non-confidential basis from a source other than an Obligor.

(2) For purposes of this Section, "Information" means all information received in connection with this Agreement from any Obligor relating to any Obligor or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers.

(3) In addition, and notwithstanding anything herein to the contrary, the Agent may provide the information described in Schedule H concerning the Borrower and the Revolving Facility established herein to a Loan Pricing Corporation and/or other recognized trade publishers of information for general circulation in the loan market.

17.14 Time of the Essence

Time shall be of the essence of this Agreement.

17.15 Delivery by Facsimile Transmission

This Agreement may be executed and delivered by facsimile transmission or other electronic communication and each of the parties hereto may rely on such facsimile signature as though such facsimile signature were an original signature.

17.16 Termination of Agreement and Loan Documents

This Agreement and the Loan Documents shall terminate and shall be of no further effect, other than with respect to indemnities expressly stated to survive termination of this Agreement, and the Agent shall execute and deliver all discharges and termination statements requested by the Borrower (at the expense of the Borrower) upon indefeasible repayment by the Obligors of all Obligations owing to the Agent and the Lenders (other than ordinary course obligations in respect of Service Agreements and charge card agreements and indemnities not yet claimed and expressly stated to survive termination of this Agreement) and the termination of the Commitments and any Hedge Arrangements.

17.17 Anti-Money Laundering Legislation

(1) The Borrower acknowledges that, pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the Patriot Act and other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” laws (collectively, including any guidelines or orders thereunder, “**AML Legislation**”), the Lenders and the Agent may be required to obtain, verify and record information regarding each of the Borrower and its Subsidiaries, their directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Borrower and its Subsidiaries, and the transactions contemplated hereby. The Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Agent, or any prospective assignee or participant of a Lender or the Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

Each of the Lenders agrees that the Agent has no obligation to ascertain the identity of each of the Borrower and its Subsidiaries or any authorized signatories of the Borrower and its Subsidiaries on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from the Borrower and its Subsidiaries or any such authorized signatory in doing so.

17.18 Criminal Code (Canada)

If any provision of this Agreement would oblige any Canadian domiciled Obligor to make any payment of interest or other amount payable to any Agent or Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by such Agent or Lender of “interest” at a “criminal rate” (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Applicable Law or so result in a receipt by such Agent or Lender of “interest” at a “criminal rate”, such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: (i) first, by reducing the amount or rate of interest; and (ii) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

17.19 **Debit of Accounts**

The Borrower authorizes and directs the Agent, to debit automatically, by mechanical, electronic or manual means, any bank account of the Borrower maintained with the Agent for all amounts due and payable by the Borrower under this Agreement or any other Loan Document, including repayment of principal, interest, fees, and all charges for keeping of that bank account. The Agent shall notify the Borrower as to the particulars of those debits in the normal course.

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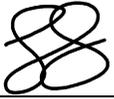
IN WITNESS WHEREOF the parties hereto have executed this Agreement.

BORROWER:

Address: 4711 Yonge Street, Suite 503
Toronto, Ontario
M2N 6K8

Attention: Cliff Gary
Email: cliff.gary@baylintech.com

BAYLIN TECHNOLOGIES INC.

By: 

Name: Leighton Carroll
Title: Chief Executive Officer

AGENT:

Address:

ROYAL BANK OF CANADA
Agency Services
155 Wellington Street West, 8th Floor
Toronto, Ontario
M5V 3H1

Fax: 416-842-4023

155 Wellington Street West, 8th Floor
Toronto, Ontario
M5V 3H1

ROYAL BANK OF CANADA, as Agent

By: 
Sean Ekanayaka, Authorized Signatory

By: _____

in the case of any Lender or the Agent, with a copy to:

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide St. West
Toronto, Ontario
M5H 4E3

Attention: Christine Mason

Email: cmason@blg.com

LENDERS:

200 Bay Street, North Tower, 4th Floor
Toronto, Ontario
M5J 2W7

Attention: Nada Hamadi
Email: nada.hamadi@rbc.com

20 King Street West, 2nd Floor
Toronto, Ontario
M5H 1C4

ROYAL BANK OF CANADA, as a Lender

By: *Nada Hamadi*

By: _____

SCHEDULE A**LENDERS AND COMMITMENTS**

<u>Lender</u>	<u>Revolving Facility</u>
Royal Bank of Canada	Cdn.\$15,000,000
TOTAL	Cdn.\$15,000,000

SCHEDULE B

NOTICE OF REQUEST FOR ADVANCE/CONVERSION/CONTINUATION

TO: **ROYAL BANK OF CANADA**, as Agent
20 King Street West, 4th Floor
Toronto, Ontario
M5H 1C4
Attention: Agency, Manager
Fax: 416-842-4023

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

DATE: **[•], 20•**

1. This notice of request for Advance is delivered to you, as Agent, pursuant to the amended and restated credit agreement of May 29, 2025 (as amended, supplemented, restated or replaced from time to time, the “**Credit Agreement**”), between the Borrower, the Agent and the Lenders and other financial institutions specified therein. All defined terms set forth, but not otherwise defined, in this notice shall have the respective meanings set forth in the Credit Agreement, unless the context requires otherwise.

2. The Borrower hereby requests [an Advance] [a Continuation] [a Conversion] as follows:

(a) On: _____ (a Business Day)

(b) Applicable Credit Facility:

Revolving Facility

(c) Type and Amount of Advances (check appropriate boxes)

Amount

Prime Rate Advance: Cdn.\$ _____

US Base Rate Advance: US\$ _____

Letter of Credit:

<u>Amount</u>	<u>Expiry Date</u>
Cdn.\$ _____	_____
US\$ _____	_____

(d) Type and Amount of Advances to be Converted or Continued:

Type of Borrowing Outstanding	Amount to be Converted or Continued	Type of Borrowing Requested by Conversion or Continuation
Prime Rate Advance	Cdn\$ _____	Cdn\$ _____
	Cdn\$ _____	Cdn\$ _____
US Base Rate Advance	US\$ _____	US\$ _____
	US\$ _____	US\$ _____

3. In conjunction with the request for an Advance, the Borrower confirms that:

- (a) all of the representations and warranties set forth in Section 9.01 of the Credit Agreement are true and correct as if made on the date hereof except to the extent that such representations and warranties relate specifically to an earlier date;
- (b) no Material Adverse Change shall have occurred since the date of the Borrower's most recent annual audited financial statements;
- (c) the aggregate principal amount outstanding under the Revolving Facility will not exceed the Revolving Facility Limit after giving effect to the Advance; and
- (d) no Default or Event of Default has occurred and is continuing nor will any such event occur as a result of the aforementioned Advances.

BAYLIN TECHNOLOGIES INC.

Per: _____
 Name:
 Title:

SCHEDULE C

REPAYMENT NOTICE

TO: **ROYAL BANK OF CANADA**, as Agent
20 King Street West, 4th Floor
Toronto, Ontario
M5H 1C4
Attention: Agency, Manager
Fax: 416-842-4023

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

DATE: [●], 20●

1. This notice of request for repayment is delivered to you, as Agent, pursuant to the amended and restated credit agreement made as of May 29, 2025 (as amended, supplemented, restated or replaced from time to time, the “**Credit Agreement**”), between the Borrower, the Agent and the Lenders and other financial institutions specified therein. All defined terms set forth, but not otherwise defined, in this notice shall have the respective meanings set forth in the Credit Agreement, unless the context requires otherwise.
2. The undersigned hereby gives you notice of a repayment as follows:
 - (a) Date of Repayment: _____
 - (b) Advance Type: _____
 - (c) Principal Amount: _____
 - (d) Credit Facility: _____

BAYLIN TECHNOLOGIES INC.

Per: _____
Name:
Title:

SCHEDULE D

COMPLIANCE CERTIFICATE

TO: **ROYAL BANK OF CANADA**, as Agent
20 King Street West, 4th Floor
Toronto, Ontario
M5H 1C4
Attention: Agency, Manager
Fax: 416-842-4023

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

RE: Amended and restated credit agreement made as of May 29, 2025 (as amended, modified, revised, restated or replaced from time to time, the “**Credit Agreement**”) between the Borrower, the Agent and the Lenders (as defined therein).

DATE: [●]

The undersigned, the ● of the Borrower, hereby certifies, in that capacity and without personal liability, that:

1. I have read and am familiar with the provisions of the Credit Agreement and have made or caused to be made such examinations and investigations, including a review of the applicable books and records of the Borrower as are necessary to enable me to express an informed opinion as to the matters set out herein and furnish this Certificate. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.
2. I have furnished this Certificate with the intent that it may be relied upon by the Agent and the Lenders as a basis for determining compliance by the Borrower with its covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.
3. The representations and warranties contained in each of the Loan Documents to which the Borrower is a party are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date except _____.
4. All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Default or Event of Default has occurred and is continuing on the date of this Certificate except _____.

[Specify nature and period of existence of any Default or Event of Default and any action which the Borrower has taken or proposes to take with respect thereto.]

5. For the most recently completed Fiscal Quarter, set forth on Exhibit 1 attached hereto are all Material Contracts and Material Licences that have been entered into after the date of the most recently delivered Compliance Certificate and all material amendments to or terminations of existing Material Contracts and Material Licences.
6. The attached financial statements for the [**Fiscal Quarter/Fiscal Year**] ending [**insert date**] are complete in all material respects and such financial statements fairly present in all material respects the results of operations and financial position of the Borrower on a consolidated basis, as of the dates referred to therein and have been prepared in accordance with GAAP [(**except that such monthly and quarterly financial statements do not include notes and the year-end adjustments that are reflected in the corresponding audited annual financial statements**)].¹
7. As of ● (the “**Computation Date**”):
- (a) Senior Debt to EBITDA Ratio was __.:1.00, calculated as follows:
- (i) Senior Debt calculated as follows:
- | | | | |
|----|---|---|-----|
| A. | Total Debt | = | \$● |
| B. | the principal amount of the Convertible Debentures and the Ningbo Bank Debt | = | \$● |
| C. | Qualified Cash (up to a maximum amount of Cdn.\$10,000,000) | = | \$● |
| | A – B – C [Senior Debt] | = | \$● |
- (ii) the EBITDA² of the Borrower and its Subsidiaries for such period
- | | | | |
|----|--|---|-----|
| A. | | = | \$● |
|----|--|---|-----|
- (iii) (i) divided by (ii) [**Senior Debt to EBITDA**] __.:1.00
- (b) The Fixed Charge Coverage Ratio was __.:1.00, calculated as follows:
- | | | | |
|------|--|---|-----|
| (i) | EBITDA (from paragraph 7(a)(ii)) | = | \$● |
| (ii) | Consolidated Tax Expenses of the Borrower and its Subsidiaries paid in cash during such period | = | \$● |

¹ Include only in a quarterly Compliance Certificate and not in an annual Compliance Certificate.

² Exhibit 2 sets out a detailed calculation of EBITDA. For the purposes of calculating EBITDA, EBITDA shall be calculated on a Pro Forma Basis. Notwithstanding the foregoing, for purposes of calculating EBITDA, (i) the financial results of the Alga Microwave Business, shall be included on a Pro Forma Basis (with normalization adjustment to be agreed upon), as if such acquisition was made at the beginning of the financial reporting period for such calculation and (ii) the EBITDA for the 12-months ending prior to the closing date shall be deemed to be \$18,226,000.

(iii)	Unfinanced Capital Expenditures	=	\$●
(iv)	Distributions made in cash	=	\$●
(v)	(i) – (ii) – (iii) – (iv)	=	\$●
(vi)	The sum of the following:		
	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	=	\$●
	C. Earn Out Obligations paid or payable in cash	=	\$●
	A + B + C	=	\$●
(vii)	(v) divided by (vi) [Fixed Charge Coverage Ratio]		__.:1.00

8. The Liquidity was _____.
9. The EBITDA for the 12-month period ending on _____, was _____.
10. For the Fiscal Quarter/Year ended _____, _____, Capital Expenditures were \$_____. Detailed calculations of this amount are set out on Exhibit 3 hereto.
11. For the Fiscal Quarter/Year ended _____, _____, Permitted Dispositions set out in clause (g) in the definition thereof were \$_____. Detailed calculations of this amount are set out on Exhibit 4 hereto.
12. For the Fiscal Quarter/Year ended _____, _____, Permitted Investments set out in clause (c) thereof were \$_____. Detailed calculations of this amount are set out on Exhibit 5 hereto.
13. For the Fiscal Quarter/Year ended _____, _____, Financial Assistance provided by the Borrower or any Secured Guarantor in favour of an Unsecured Guarantor were \$_____. Detailed calculations of this amount are set out on Exhibit 6 hereto.
14. As of the Computation Date, the aggregate outstanding principal amount of IFRS Leases and Purchase Money Security Interests was \$_____.

BAYLIN TECHNOLOGIES INC.

Per: _____

Name:

Title:

**EXHIBIT 1 TO COMPLIANCE CERTIFICATE
MATERIAL CONTRACTS AND MATERIAL LICENCES THAT HAVE BEEN
ENTERED INTO AFTER THE DATE OF THE MOST RECENTLY DELIVERED
COMPLIANCE CERTIFICATE**

**EXHIBIT 2 TO COMPLIANCE CERTIFICATE
DETAILED CALCULATION OF EBITDA**

I. “EBITDA” is calculated as follows:

A. Consolidated Net Income, for the applicable period of measurement: \$●

Plus, without duplication:

(I) to the extent deducted in determining such Consolidated Net Income:

(a) Consolidated Interest Expense for such period: \$●

(b) Consolidated Tax Expense for such period: \$●

(c) Consolidated Amortization and Depreciation Expense for such period: \$●

(d) any non-cash expenses including stock option and restricted stock unit expenses, provided that the terms of such stock or stock options or any related plan, do not obligate the Borrower or any of its Subsidiaries to redeem such options or units for cash: \$●

(e) any expenses or losses (including one-time financing costs, one-time severance costs, and recruitment and search expenses) resulting from transactions or events that are not expected to occur frequently over several years, or do not typify normal business activities of the Person, in any twelve month period after the date hereof (determined in accordance with GAAP), and which expenses or losses are approved by the Majority Lenders acting reasonably from time to time: \$●

(f) any non-cash expense or loss resulting from any increase in the expected liability amount of Earn Out Obligations including accretion expense on the Earn Out Obligations all as determined under GAAP: \$●

(g) unrealized non-cash foreign exchange losses resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Borrower and its Subsidiaries: \$●

(II) without duplication, subtracting therefrom only to the extent included in determining such Consolidated Net Income:

(h) unrealized non-cash foreign exchange gains resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Borrower and its Subsidiaries: \$●

- (i) any non-cash gain or income, including without limitation, any such gain resulting from any decrease in the expected liability of the amount of the Earn Out Obligations as determined in accordance with GAAP; \$●
- (j) any income or gains resulting from transactions or events that are not expected to occur frequently over several years, or do not typify normal business activities of the entity (determined in accordance with GAAP); \$●

B. EBITDA = A + (I) – (II) = \$● _____

**EXHIBIT 3 TO COMPLIANCE CERTIFICATE
DETAILED CALCULATIONS OF CAPITAL EXPENDITURES**

**EXHIBIT 4 TO COMPLIANCE CERTIFICATE
DETAILED CALCULATIONS OF PERMITTED DISPOSITIONS**

**EXHIBIT 5 TO COMPLIANCE CERTIFICATE
DETAILED CALCULATIONS OF PERMITTED INVESTMENTS**

**EXHIBIT 6 TO COMPLIANCE CERTIFICATE
FINANCIAL ASSISTANCE**

SCHEDULE E

BORROWING BASE CERTIFICATE

TO: ROYAL BANK OF CANADA, as Agent
 20 King Street West, 4th Floor
 Toronto, Ontario
 M5H 1C4
 Attention: Agency, Manager
 Fax: 416-842-4023

FROM: BAYLIN TECHNOLOGIES INC. (the “Borrower”)

RE: Amended and restated credit agreement made as of May 29, 2025 (as amended, supplemented, restated or replaced from time to time, the “**Credit Agreement**”), among the Borrower, the Agent and the Lenders party thereto from time to time

DATE: ●, 20●

1. This Borrowing Base Certificate is delivered to you pursuant to Section 10.03(1) of the Credit Agreement as of ●, 20● (the “**Reporting Date**”). Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.
2. The following calculations determine the Borrowing Base in accordance with the relevant definitions set forth in the Credit Agreement.
3. The Borrowing Base is \$ _____, calculated as follows:

	<u>Total Eligible Accounts Receivables</u>	\$	_____
Less:	a) Accounts, any portion of which exceeds 90 days	\$	_____
	b) Accounts due from affiliates	\$	_____
	c) “90 and under day” accounts where collection is suspect		
	d) Accounts subject to prior encumbrances	\$	_____
	e) Holdbacks, contra-accounts or rights of set-off	\$	_____
	f) Accounts included elsewhere in the Borrowing Base calculation	\$	_____
	g) Other ineligible accounts	\$	_____

Plus	h)	90 and under day portion of accounts included in (a) above, to the extent constituting Eligible Accounts Receivable ¹	\$ _____
Eligible Canadian/US Accounts Receivable			A \$ _____
Marginable Eligible Canadian/US Accounts Receivable at 75% of A			B \$ _____
<u>Insured Accounts Receivable</u>			\$ _____
Less:	a)	Accounts, any portion of which exceeds 90 days	\$ _____
	b)	Accounts due from affiliates	\$ _____
	c)	“Under 90 days” accounts where collection is suspect	\$ _____
	d)	Accounts subject to prior encumbrances	\$ _____
	e)	Holdback, contra-accounts or rights of set-off	\$ _____
	f)	Accounts included elsewhere in the Borrowing Base calculation	\$ _____
	g)	Other ineligible accounts	\$ _____
Plus	h)	90 and under day portion of accounts included in (a) above to the extent constituting Eligible Accounts Receivable ²	
Eligible Insured Accounts Receivable			C \$ _____
Marginable Eligible Insured Accounts Receivable at 90% of C			D \$ _____
Total Finished Goods Inventory (valued at lower of cost and fair market value)			\$ _____
Less:	(a)	Inventory located outside of Canada or the United States or subject to Encumbrances (other than Permitted Encumbrances)	\$ _____

¹ (a) for accounts owing by account debtors other than Askey Computer Corp. and Pegatron Corporation, the 90 and under day portion may be included where the over ninety (90) day portion is less than 10% of the amount of accounts, or where the Majority Lenders have designated such portion as nevertheless good, and (b) for accounts owing by Askey Computer Corp. and Pegatron Corporation, the 90 and under day portion of such accounts may be included.

² (a) for accounts owing by account debtors other than Askey Computer Corp. and Pegatron Corporation, the 90 and under day portion may be included where the over ninety (90) day portion is less than 10% of the amount of accounts, or where the Majority Lenders have designated such portion as nevertheless good, and (b) for accounts owing by Askey Computer Corp. and Pegatron Corporation, the 90 and under day portion of such accounts may be included.

(b) Other non-qualifying inventory	\$	_____	
Finished Goods Inventory			E \$ _____
Marginable Finished Goods Inventory at 50% of E			F \$ _____
Total Raw Materials Inventory (valued at lower of cost and fair market value)	\$	_____	
Less:			
(a) Inventory located outside of Canada or the United States or subject to Encumbrances (other than Permitted Encumbrances)	\$	_____	
(b) Other non-qualifying inventory	\$	_____	
Raw Materials Inventory			G \$ _____
Marginable Raw Materials Inventory at 50% of G			H \$ _____
<u>Eligible Inventory - Total F + H (Max. 50% of Borrowing Base)</u>			I \$ _____
Less: Potential Prior-Ranking Claims while not limited to these include:			
Sales tax, Excise & GST	\$	_____	
Employee source deductions such as E.I., CPP, Income Tax	\$	_____	
Workers Compensation Board	\$	_____	
Wages, Commissions, Vacation Pay	\$	_____	
Unpaid Pension Plan Contributions	\$	_____	
Overdue Rent, Property & Business Tax and potential claims from third parties such as subcontractors	\$	_____	
Other	\$	_____	
Total Potential Prior-Ranking Claims			J \$ _____

<u>Borrowing Base (B+D+I-J)</u>			\$ _____

Margin Surplus (Deficit)

\$ _____

4. Annexed hereto are the following reports:
 - (a) aged list of accounts receivable,
 - (b) aged list of accounts payable,
 - (c) aged list of Insured Accounts Receivable indicating country of origin for each receivable and most recent credit approval listing from Insured supported by Direction to Pay,
 - (d) listing of Potential Prior-Ranking Claims, and
 - (e) status of Finished Goods Inventory and Raw Materials Inventory.

5. The Borrower hereby represents and warrants that this Borrowing Base Certificate is a correct statement regarding the status of the Borrowing Base and the amounts set forth herein are in compliance with the provisions of the Credit Agreement. The Borrower further represents and warrants that, in relation to calculation of the Borrowing Base there have been no changes to accounting policies, practices and calculation methods from the accounting policies, practices and methods used by the Borrower as at the date of the Credit Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Borrowing Base Certificate to be executed on its behalf by a senior officer of the Borrower as of the date first written above.

BAYLIN TECHNOLOGIES INC.

By: _____
Name:
Title:

SCHEDULE F

**SCHEDULE G
GUARANTORS, EXCLUDED SUBSIDIARIES AND IMMATERIAL SUBSIDIARIES**

Secured Guarantors

1. Advantech Wireless Technologies (USA) Inc.
2. Advantech Wireless Technologies Inc. (the continuing corporation from the amalgamation of Advantech Wireless Technologies Inc., Alga Microwave Inc./Micro-Onde Alga Inc. and 13369927 Canada Inc., which is the entity previously known as 9174-0050 Québec Inc.)
3. Galtronics Canada Inc.
4. Galtronics Corporation Ltd. (Delaware)
5. Galtronics Electronics (Wuxi) Co., Ltd.
6. Galtronics USA, Inc.

Excluded Subsidiaries

1. Galtronics Canada Ltd.

Immaterial Subsidiaries

None.

SCHEDULE H
ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between *[insert name of Assignor]* (the “Assignor”) and *[insert name of Assignee]* (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered, pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

i) Assignor: _____

ii) Assignee: _____

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

iv) Agent: Royal Bank of Canada, as Agent under the Credit Agreement

v) Credit Agreement: Amended and restated credit agreement made as of May 29, 2025, between the Borrower, Royal Bank of Canada, as Agent, and the Lenders and other financial institutions specified therein.

vi) Assigned Interest:

Facility Assigned ¹	Aggregate Amount of Commitment / Loans for all Lenders ²	Amount of Commitment / Loans Assigned ³	Percentage Assigned of Commitment / Loans ³	CUSIP Number
	\$	\$	%	
	\$	\$	%	
	\$	\$	%	

vii) [Trade Date: _____] ⁴

¹ Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Facility," "Term Facility," etc.).

² Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

³ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

⁴ To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____, 20__ [TO BE INSERTED BY AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

<u>ASSIGNOR</u> [NAME OF ASSIGNOR]
By: _____ Title: _____
<u>ASSIGNEE</u> [NAME OF ASSIGNEE]
By: _____ Title: _____

[Consented to and] ¹ Accepted: ROYAL BANK OF CANADA, as Agent
By: _____ Title: _____
[Consented to:] ² [NAME OF RELEVANT PARTY]
By _____ [Title]

¹ To be added only if the consent of the Agent is required by the terms of the Credit Agreement.

² To be added only if the consent of the Borrower and/or other parties (e.g. Swingline Lender, Issuing Lender) is required by the terms of the Credit Agreement.

ANNEX 1 to Assignment and Assumption

[Amended and restated credit agreement dated as of May 29, 2025 between BAYLIN TECHNOLOGIES INC., as the Borrower, Royal Bank of Canada, as Agent and the financial institutions from time to time parties thereto as Lenders]

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

Representations and Warranties

1. **Assignor.** The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.
2. **Assignee.** The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 10.03 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

3. **Payments**

From and after the Effective Date, the Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

4. **General Provisions**

This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law governing the Credit Agreement.

SCHEDULE I

LOAN PRICING CORPORATION INFORMATION

Name of Borrower

Use of Proceeds (general corporate purposes, acquisition, leverage buyout, etc.)

Tranche breakdown including amounts, tenor and type (revolving loan, term loan, etc.)

Syndicate composition and titles

SCHEDULE 9.01(9)

LITIGATION

1. Advantech Acquisition

The Borrower is both a plaintiff and defendant in various claims in Ontario arising out of the acquisition by the Borrower of the radio frequency, terrestrial microwave and antenna equipment divisions of Advantech Wireless Inc. in January 2018 (the “**Advantech Acquisition**”).

In October 2018, as a result of an indemnity claim made by the Borrower, the Borrower received a payment from the escrow agent of approximately \$1.8 million out of part of the cash purchase price being held in escrow pursuant to the terms of an "Escrow Agreement" that also governed the procedure for making indemnity claims against the escrowed funds. The escrow agent released the amount because SpaceBridge Inc. (“**Spacebridge**”, formerly, Advantech Wireless Inc.) failed to object to the indemnity claim within the 30-day period prescribed by the Escrow Agreement.

In December 2018, SpaceBridge commenced an application in the Superior Court of Justice (Ontario) (the “**Superior Court**”) to have the amount repaid to the escrow agent, principally on the equitable ground of relief from forfeiture. Later, in June 2022, SpaceBridge amended its application to assert that the Borrower had failed to comply with the notice provisions of the Escrow Agreement such that its claim against the escrow fund was invalid. In its decision rendered in July 2023, the Superior Court found that the Borrower’s claim against the escrow fund was not validly delivered in accordance with the notice provisions of the Escrow Agreement and therefore Spacebridge’s objection to the claim was not late because the 30-day period was never triggered. In so doing, the Superior Court rejected the Borrower’s argument that the amended application was made outside the prescribed limitation period of two years. As a result, the Superior Court ordered the Borrower to repay \$1.8 million, together with interest at the pre-judgment rate set pursuant to the *Courts of Justice Act* (Ontario), to the escrow agent (the “**Order**”).

The Borrower then appealed the decision to the Court of Appeal for Ontario, which had the effect of staying the Order. In its decision in December 2024, the Court of Appeal dismissed the Borrower’s appeal, upholding the Superior Court’s decision ordering the Borrower to return \$1.8 million, together with interest, to the escrow agent. The Order remains outstanding.

The Borrower has filed statements of claim against SpaceBridge for certain other indemnity obligations of SpaceBridge arising out of the Advantech Acquisition under the “Asset Purchase Agreement”. The claims, in the aggregate, total approximately \$7.23 million. SpaceBridge has filed statements of defence, as well as statements of counterclaim. In July 2019, SpaceBridge delivered multiple indemnity claims pursuant to the terms of the Advantech Acquisition, seeking to set off the amounts being claimed by the Borrower. The Borrower has contested the indemnity claims.

In June 2019, SpaceBridge filed an application asserting oppression, among other things, for unspecified amounts in relation to the earn-out under the terms of the Advantech Acquisition and for common shares in the Borrower for which set-off has been claimed by the Borrower. SpaceBridge alleges that Mr. Gelerman, a principal of SpaceBridge and a former director of the

Borrower, was improperly denied from participating in the management of the Borrower, resulting in a lower earn out than the maximum potential amount of \$6 million. The “Asset Purchase Agreement” provided that SpaceBridge would be entitled to an additional (earn-out) payment on account of the purchase price of between \$750,000 and \$3 million in each of 2018 and 2019 conditional on the purchased business achieving certain EBITDA targets in those years. The Borrower’s position is that the EBITDA targets were not met in either year, which is being contested by SpaceBridge. The Borrower is opposing the objection and defending the other allegations. No date has been set for the application related to claims for compensation. The issue of whether the Borrower is entitled to assert set-off on the common shares was the subject of an appeal by the Borrower from a lower court ruling. In February 2021, the Court of Appeal for Ontario found in favour of the Borrower, overturning the lower court’s decision and confirming that the Borrower is entitled to a right of set-off on the Common Shares.

In January 2020, SpaceBridge filed a statement of claim claiming damages against the Borrower for various breaches of the Asset Purchase Agreement and two other agreements that were part of the Advantech Acquisition – a “Consulting Agreement” and a “Transitional Services Agreement”. These claims include the multiple indemnity claims previously made by SpaceBridge, as well as additional claims for breach of the other two agreements. The claims include loss of business opportunities, improper use of SpaceBridge’s books and records, unpaid rent on premises subleased from SpaceBridge as part of the Advantech Acquisition, diminution in the value of the common shares payable as part of the consulting fees under the Consulting Agreement and conversion of inventory after completion of the Advantech Acquisition. Where specified, the amount of damages claimed is at least \$8.7 million. **Alga Acquisition**

The Borrower is a defendant in a claim in Quebec arising out of the acquisition by the Borrower of all the shares of Alga Microwave Inc. (“Alga”) in July 2018 (the “Alga Acquisition”). In June 2019, the former shareholders of Alga filed an application against the Borrower asserting that an event had occurred under the “Share Purchase Agreement” relating to the Alga Acquisition that triggered the payment of an earnout in the amount of \$1 million. The Borrower does not agree that the payment has been triggered and is contesting the application. The parties have completed discoveries, and the trial is scheduled for November 2025.

SCHEDULE 9.01(13)

DESCRIPTION OF REAL PROPERTY

Owned Real Property - None

Leased Real Property

Obligor	Premises Address	Landlord
Advantech Wireless Technologies Inc.	550 Campbell Street Cornwall, Ontario K6H 6T7	Advantech Wireless Inc. 633-671 Orly Avenue, Dorval, Quebec
Advantech Wireless Technologies Inc.	16787 Hymus Boulevard Kirkland, Quebec H9H 3L4	Immeubles Industriels Hymus Kirkland Inc. c/o Cromwell Management Inc. A3488 Cote des Neiges Montreal, Quebec H3H 2M6
Advantech Wireless Technologies Inc.	16715 Hymus Boulevard Kirkland, Quebec H9H 5M8	Claria Hymus Limited Partnership 3650-1000 de la Gauchetiere W Montreal, Quebec H3B 4W5
Advantech Wireless Technologies (USA) Inc.	2171 Sandy Drive State College, Pennsylvania 16803 USA	Videon Central 2171 Sandy Drive State College, Pennsylvania 16803 USA
Advantech Wireless Technologies (USA) Inc.	Suite 400, 4908 Golden Parkway Buford, Georgia 30518 USA	GARE Fund 2, LLC 5704 Wayne Crest Drive Flowery Branch, Georgia 30542 USA
Baylin Technologies Inc.	Suite 503, 4711 Yonge Street Toronto, Ontario M2N 6K8	1367681 Ontario Inc. Suite 500, 4711 Yonge Street Toronto, Ontario M2N 6K8
Galtronics USA, Inc.	8930 South Beck Ave, Suite 103 Tempe, Arizona 85284 USA	Warner Business Center 1, LLC c/o RiverRock Real Estate Group 2720 E. Camelback Road, Suite 210 Phoenix, Arizona 85016
Galtronics USA, Inc.	10035 East Hillview Street Mesa, Arizona 85207 USA	Ruuby 2 Investments LLC 10757 East Hillview Street Mesa, Arizona 85207 USA
Galtronics Electronics (Wuxi) Co., Ltd.	No. 1, XiShi Road Wuxi New District, Wuxi Jiangsu Province China	Land Administration Bureau, Wuxi City, Jiangsu Province, China

SCHEDULE 9.01(14)
INSURANCE POLICIES

A. Liability and Property

Redacted

B. Directors and Officers

Redacted

C. Credit Insurance

Redacted

SCHEDULE 9.01(18)**CORPORATE STRUCTURE**

	Obligor (Issuer)	Type of Organization	Owner	# of Shares Owned	Total Shares Outstanding	Percentage of Shares Held
1.	Advantech Wireless Technologies (USA) Inc.	Delaware Corporation	Advantech Wireless Technologies Inc.	1100	1100	100%
2.	Advantech Wireless Technologies Inc.	Canada Corporation	Baylin Technologies Inc.	100	100	100%
3.	Baylin Technologies Inc.	Ontario Corporation	Public Corporation	N/A	N/A	N/A
4.	Galtronics Canada Inc.	Ontario Corporation	Baylin Technologies Inc.	100	100	100%
5.	Galtronics Canada Ltd.	Ontario Corporation	Baylin Technologies Inc.	19 Class A Common Shares	30 Class A Common Shares 51 Class B Common Shares	19%
6.	Galtronics Corporation Ltd.	Delaware Corporation	Galtronics USA, Inc.	100	100	100%
7.	Galtronics Electronics (Wuxi) Co., Ltd.	Chinese Foreign Owned Enterprise	Baylin Technologies Inc.	Registered Capital US\$ 5,000,000	Registered Capital US\$ 5,000,000	100%
8.	Galtronics USA, Inc.	Delaware Corporation	Baylin Technologies Inc.	500	500	100%

SCHEDULE 9.01(19)**RELEVANT JURISDICTIONS**

Name of Obligor	Address of Chief Executive Office/ Registered Office/ Head Office	Location of Books and Records	Place(s) of Business
Advantech Wireless Technologies Inc.	181 Bay Street, Suite1800 Toronto, Ontario M5J 2T9	16715 Hymus Blvd. Kirkland, Quebec H9H 5M8	16715 Hymus Blvd, Kirkland, Quebec H9H 5M8 16787 Hymus Blvd. Kirkland, Quebec H9H 3L4 550 Campbell Street, Cornwall, Ontario K6H 6T7
Advantech Wireless Technologies (USA) Inc.	2171 Sandy Drive State College, Pennsylvania 16803 USA	2171 Sandy Drive State College, Pennsylvania 16803 USA	2171 Sandy Drive State College, Pennsylvania 16803 USA Suite 400, 4908 Golden Parkway Buford, Georgia 30518 USA
Baylin Technologies Inc.	181 Bay Street, Suite 1800, Toronto, Ontario M5J 2T9	Suite 503, 4711 Yonge Street Toronto, Ontario M2N 6K8	Suite 503, 4711 Yonge Street Toronto, Ontario M2N 6K8
Galtronics Canada Inc.	181 Bay Street, Suite1800 Toronto, Ontario M5J 2T9	Suite 503, 4711 Yonge Street Toronto, Ontario M2N 6K8	Suite 503, 4711 Yonge Street Toronto, Ontario M2N 6K8
Galtronics Canada Ltd.	200 Terence Matthews Crescent, Unit 200A Kanata, Ontario K2M 2C6	200 Terence Matthews Crescent, Unit 200A Kanata, Ontario K2M 2C6	200 Terence Matthews Crescent, Unit 200A Kanata, Ontario K2M 2C6
Galtronics Corporation Ltd.	8930 S. Beck Avenue, Suite 103, Tempe, Arizona 85284-2891 USA	8930 S. Beck Avenue, Suite 103, Tempe, Arizona 85284-2891 USA	8930 S. Beck Avenue, Suite 103, Tempe, Arizona 85284-2891 USA
Galtronics Electronics (Wuxi) Co., Ltd.	No. 1, XiShi Road, Wuxi New District Wuxi, Jiangsu Province, 214028, Peoples Republic of China	No. 1, XiShi Road, Wuxi New District Wuxi, Jiangsu Province, 214028, Peoples Republic of China	No. 1, XiShi Road, Wuxi New District Wuxi, Jiangsu Province, 214028, Peoples Republic of China

Name of Obligor	Address of Chief Executive Office/ Registered Office/ Head Office	Location of Books and Records	Place(s) of Business
Galtronics USA, Inc.	8930 S. Beck Avenue Suite 103, Tempe, Arizona 85284-2891 USA	8930 S. Beck Avenue Suite 103, Tempe, Arizona 85284-2891 USA	8930 S. Beck Avenue, Suite 103, Tempe, Arizona 85284-2891 USA 10035 East Hillview Street Mesa, Arizona 85207 USA

SCHEDULE 9.01(20)

INTELLECTUAL PROPERTY

Redacted

SCHEDULE 9.01(21)

MATERIAL CONTRACTS AND MATERIAL LICENCES

Redacted

SCHEDULE 9.01(28)

NON-ARM'S LENGTH TRANSACTIONS

The Borrower retains the services of Mr. Jeffrey C. Royer to fulfill the position of Chairman of the Board of Directors and to provide related strategic leadership and guidance to the Board of Directors and management of the Borrower. As consideration for the services provided under the agreement, Mr. Royer is entitled (but frequently waives) an annual fee of \$125,000.

The Borrower subleases its head office from a company affiliated with Mr. Royer.

SCHEDULE 10.04(13)

PERMITTED HEDGE ARRANGEMENTS

Redacted