

AMENDED AND RESTATED CREDIT AGREEMENT

BETWEEN

**TERAGO NETWORKS INC.
as Borrower**

AND

**TERAGO INC.
as Parent**

AND

**ROYAL BANK OF CANADA
as Administrative Agent, Lead Arranger and Sole Bookrunner**

AND

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

MADE AS OF

June 30, 2020

TABLE OF CONTENTS

| | |
|--|----|
| ARTICLE 1 - INTERPRETATION..... | 2 |
| 1.01 Definitions..... | 2 |
| 1.02 Headings | 26 |
| 1.03 Accounting Practices | 27 |
| 1.04 Permitted Encumbrances..... | 27 |
| 1.05 Currency..... | 27 |
| 1.06 Paramountcy..... | 27 |
| 1.07 Non-Business Days | 27 |
| 1.08 Interest Payments and Calculations..... | 28 |
| 1.09 Determinations By the Borrower | 28 |
| 1.10 Terms Generally | 29 |
| 1.11 Schedules..... | 29 |
| ARTICLE 2 - THE CREDIT FACILITIES..... | 30 |
| 2.01 Credit Facilities | 30 |
| 2.02 Swingline Facility | 30 |
| 2.03 Purpose of Credit Facilities | 32 |
| 2.04 Manner of Borrowing..... | 32 |
| 2.05 Nature of the Credit Facilities..... | 33 |
| 2.06 Drawdowns, Conversions and Rollovers..... | 33 |
| 2.07 Agent's Obligations with Respect to Advances..... | 34 |
| 2.08 Lenders' and Agent's Obligations with Respect to Advances | 34 |
| 2.09 Irrevocability..... | 34 |
| 2.10 Cancellation or Permanent Reduction of a Credit Facility..... | 34 |
| 2.11 Termination of LIBOR Advances..... | 34 |
| 2.12 CDOR Discontinuation..... | 36 |
| 2.13 Major Disruption..... | 37 |
| ARTICLE 3 - DISBURSEMENT CONDITIONS | 38 |
| 3.01 Conditions Precedent to Effectiveness of this Agreement | 38 |
| 3.02 Conditions Precedent to Subsequent Advances | 39 |
| 3.03 Waiver | 40 |
| ARTICLE 4 - EVIDENCE OF DRAWDOWNS | 40 |
| 4.01 Account of Record | 40 |
| ARTICLE 5 - PAYMENTS OF INTEREST AND STANDBY FEES..... | 40 |
| 5.01 Interest on Prime Rate Advances..... | 40 |
| 5.02 Interest on US Base Rate Advances..... | 40 |
| 5.03 Interest on LIBOR Advances..... | 41 |
| 5.04 No Set-Off, Deduction etc. | 41 |
| 5.05 Standby Fees..... | 41 |
| 5.06 Fee Letters..... | 42 |
| 5.07 Overdue Principal and Interest..... | 42 |
| 5.08 Interest on Other Amounts | 42 |
| ARTICLE 6 - BANKERS' ACCEPTANCES AND LETTERS OF CREDIT | 43 |
| 6.01 Bankers' Acceptances..... | 43 |

| | | |
|--------------|---|----|
| 6.02 | Letters of Credit | 45 |
| ARTICLE 7 – | REPAYMENT | 48 |
| 7.01 | Mandatory Repayment of Principal – Revolving Facility | 48 |
| 7.02 | Mandatory Repayment of Principal – Term Facility | 49 |
| 7.03 | Voluntary Repayments and Reductions | 49 |
| 7.04 | Mandatory Repayments on Additional Financings..... | 50 |
| 7.05 | Mandatory Repayment on Dispositions..... | 50 |
| 7.06 | Mandatory Repayments from Proceeds of Insurance..... | 50 |
| 7.07 | Cash Flow Sweep..... | 51 |
| 7.08 | Excess Over the Maximum Amounts | 51 |
| 7.09 | Payment of Breakage Costs etc..... | 51 |
| ARTICLE 8 - | PLACE AND APPLICATION OF PAYMENTS | 52 |
| 8.01 | Place of Payment of Principal, Interest and Fees..... | 52 |
| 8.02 | Netting of Payments..... | 53 |
| ARTICLE 9 - | REPRESENTATIONS AND WARRANTIES | 54 |
| 9.01 | Representations and Warranties..... | 54 |
| 9.02 | Survival and Repetition of Representations and Warranties..... | 60 |
| ARTICLE 10 - | COVENANTS..... | 60 |
| 10.01 | Positive Covenants | 60 |
| 10.02 | Financial Covenants | 64 |
| 10.03 | Reporting Requirements | 64 |
| 10.04 | Negative Covenants..... | 65 |
| 10.05 | Quebec Collateral | 68 |
| ARTICLE 11 - | SECURITY | 68 |
| 11.01 | Form of Security..... | 68 |
| 11.02 | Insurance..... | 69 |
| 11.03 | After Acquired Property and Further Assurances | 69 |
| 11.04 | Application of Proceeds of Security..... | 69 |
| 11.05 | Security Charging Real Property..... | 69 |
| ARTICLE 12 - | DEFAULT | 69 |
| 12.01 | Events of Default..... | 69 |
| 12.02 | Acceleration and Termination of Rights..... | 72 |
| 12.03 | Payment of Bankers' Acceptances and Letters of Credit | 73 |
| 12.04 | Remedies Cumulative and Waivers | 73 |
| 12.05 | Termination of Lenders' Obligations..... | 73 |
| 12.06 | Saving..... | 74 |
| 12.07 | Perform Obligations | 74 |
| 12.08 | Third Parties | 74 |
| 12.09 | Set-Off or Compensation | 74 |
| 12.10 | Realization of Security | 75 |
| 12.11 | Application of Payments..... | 75 |
| | (e) fifth, if all Obligations of the Borrower listed above have been paid and satisfied in full, any | 75 |
| 12.12 | Consultant..... | 75 |

| | |
|---|----|
| ARTICLE 13 – COSTS, EXPENSES AND INDEMNIFICATION..... | 76 |
| 13.01 Indemnification by the Borrower..... | 76 |
| 13.02 Reimbursement by Lenders..... | 76 |
| 13.03 Waiver of Consequential Damages..... | 76 |
| 13.04 Payments..... | 77 |
| ARTICLE 14 - THE AGENT AND THE LENDERS | 77 |
| 14.01 Appointment and Authority..... | 77 |
| 14.02 Rights as a Lender..... | 77 |
| 14.03 Exculpatory Provisions..... | 77 |
| 14.04 Reliance by Agent..... | 78 |
| 14.05 Indemnification of Agent..... | 79 |
| 14.06 Delegation of Duties..... | 79 |
| 14.07 Replacement of Agent | 79 |
| 14.08 Non-Reliance on Agent and Other Lenders..... | 80 |
| 14.09 Collective Action of the Lenders..... | 80 |
| 14.10 No Other Duties, etc. | 81 |
| 14.11 Payments by the Borrower..... | 81 |
| 14.12 Knowledge and Required Action | 81 |
| 14.13 Request for Instructions | 82 |
| 14.14 Actions by Lenders | 82 |
| 14.15 Provisions for Benefit of Lenders Only | 84 |
| 14.16 Payments by Agent..... | 84 |
| 14.17 Acknowledgements, Representations and Covenants of Lenders..... | 85 |
| 14.18 Rights of Agent | 85 |
| 14.19 Non-Funding Lenders | 86 |
| 14.20 Sharing of Payments by Lenders | 87 |
| 14.21 Agent's Clawback | 88 |
| ARTICLE 15 – TAXES AND CHANGE OF CIRCUMSTANCES | 89 |
| 15.01 Increased Costs..... | 89 |
| 15.02 Taxes..... | 90 |
| 15.03 Mitigation Obligations: Replacement of Lenders | 92 |
| 15.04 Illegality..... | 93 |
| ARTICLE 16 – SUCCESSORS AND ASSIGNS AND ADDITIONAL LENDERS..... | 93 |
| 16.01 Successors and Assigns Generally..... | 93 |
| 16.02 Assignment by Lenders..... | 93 |
| 16.03 Register | 95 |
| 16.04 Participations | 95 |
| 16.05 Certain Pledges | 96 |
| ARTICLE 17 - GENERAL..... | 96 |
| 17.01 Exchange and Confidentiality of Information | 96 |
| 17.02 Nature of Obligations under this Agreement..... | 96 |
| 17.03 Addresses, Etc. for Notices..... | 96 |
| 17.04 Governing Law and Submission to Jurisdiction | 97 |
| 17.05 Judgement Currency..... | 98 |
| 17.06 Benefit of the Agreement | 98 |
| 17.07 Survival..... | 98 |
| 17.08 Severability | 99 |

| | | |
|-------|---|-----|
| 17.09 | Whole Agreement | 99 |
| 17.10 | Further Assurances..... | 99 |
| 17.11 | Waiver of Jury | 99 |
| 17.12 | Counterpart; Integration; Effectiveness; Electronic Execution | 100 |
| 17.13 | Treatment of Certain Information; Confidentiality | 101 |
| 17.14 | Time of the Essence | 101 |
| 17.15 | Delivery by Facsimile Transmission | 102 |
| 17.16 | Hypothecary Representative | 102 |
| 17.17 | Termination of Agreement and Loan Documents | 102 |
| 17.18 | Anti-Money Laundering Legislation | 102 |

TABLE OF SCHEDULES

| | | |
|-------------------|---|--|
| Schedule A | - | Lenders and Commitments |
| Schedule B | - | Notice of Request for Advance |
| Schedule C | - | Repayment Notice |
| Schedule D | - | Compliance Certificate |
| Schedule E | - | Assignment and Assumption |
| Schedule F | - | Loan Pricing Corporation Information |
| Schedule 1.01 | - | Outstanding L/C's |
| Schedule 9.01(9) | - | Litigation |
| Schedule 9.01(12) | - | Description of Real Property |
| Schedule 9.01(13) | - | Insurance Policies |
| Schedule 9.01(17) | - | Corporate Structure |
| Schedule 9.01(18) | - | Relevant Jurisdictions |
| Schedule 9.01(19) | - | Intellectual Property |
| Schedule 9.01(20) | - | Material Contracts and Material Licences |
| Schedule 9.01(27) | - | Non-Arm's Length Transactions |
| Schedule 9.01(33) | - | Accounts |

AMENDED AND RESTATED CREDIT AGREEMENT

THIS AGREEMENT is made as of June 30, 2020.

B E T W E N:

TERAGO NETWORKS INC., a corporation existing under the laws of Canada (hereinafter referred to as the "**Borrower**")

- and -

TERAGO INC., a corporation existing under the laws of Canada (hereinafter referred to as the "**Parent**")

- and -

ROYAL BANK OF CANADA, in its capacity as 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 capacity individually referred to as a "**Lender**" and collectively in such capacity referred to as the "**Lenders**")

WHEREAS pursuant to a credit agreement made as of June 6, 2014 between the Borrower, the Parent, National Bank of Canada, as administrative agent and the financial institutions party thereto as lenders (as amended prior to the date hereof, the "**Original Credit Agreement**"), the lenders thereunder provided certain credit facilities to the Borrower;

AND WHEREAS on the date hereof, National Bank of Canada has resigned as administrative agent and Royal Bank of Canada was appointed as successor administrative agent pursuant to the Original Credit Agreement;

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

AND WHEREAS the parties hereto wish to amend and restate the Original Credit Agreement;

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:

"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) that such other Person becomes a Subsidiary of the purchaser or of any of its Affiliates, (b) all or substantially all of the Property of any other Person, or (c) all or any material portion of all of any division, business, or operation or undertaking of any other Person as a going concern.

"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, a BA Equivalent Note, a LIBOR Advance, acceptance by a Lender of a draft or depository bill presented for acceptance as a Bankers' Acceptance, 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, US Base Rate Advances and LIBOR Advances, whether as a result of a Drawdown, Conversion, Rollover or deemed advance, plus the face amount of all outstanding Bankers' Acceptances and BA Equivalent Notes plus the maximum amount payable under Letters of Credit.

"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 Royal in its capacity as administrative agent for the Lenders, including any successor agent pursuant to Section 14.07.

"Agent's Account Branch" means the branch of the Agent located at 200 Bay Street, Toronto, Ontario or such other branch or office of the Agent located in Canada as the Borrower and the Agent may agree upon.

"Agreement" means this amended and restated 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.

"Annual Business Plan" means the annual business plan of the Parent, prepared on a consolidated basis, with detailed financial projections on a quarterly basis for the following Fiscal Year, in each case consisting of a balance sheet, statement of income, statement of cash flows and proposed Capital Expenditures.

"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, (i) in the case of the first three Fiscal Quarters of the Borrower, the fifth Business Day after the date on which the Agent receives the financial statements for such Fiscal Quarter and (ii) in the case of the fourth Fiscal Quarter of the Borrower, the fifth Business Day after the date on which the Agent receives the financial statements for such Fiscal Year, in each case, pursuant to Section 10.03 hereof. The Applicable Margin shall be established on a Pricing Date based on the Total Funded 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 (the "**Required Delivery Date**"), 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 IV shall apply). In all other circumstances, the Applicable Margin established by such financial statements shall be in effect from the Pricing Date that occurs immediately after the end of the Fiscal Quarter covered by such financial statements until the next Pricing Date. 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 absent manifest error. For greater certainty, there shall be no adjustments to the Applicable Margin in respect of Bankers' Acceptances and BA Equivalent Notes that are outstanding on a Pricing Date.

(a)

| Level | Total Funded Debt to EBITDA Ratio | BA Stamping Fee Rate, LIBO Rate Margin and Letter of Credit Fee Rate | Prime Rate Margin and US Base Rate Margin | Standby Fee Rate |
|-----------|-----------------------------------|--|---|---------------------------------------|
| Level I | < 2.00:1 | • [rate margin intentionally omitted] | • [rate margin intentionally omitted] | • [rate margin intentionally omitted] |
| Level II | ≥ 2.00:1 but less than 2.50:1 | • [rate margin intentionally omitted] | • [rate margin intentionally omitted] | • [rate margin intentionally omitted] |
| Level III | ≥ 2.50:1 but less than 3.00:1 | • [rate margin intentionally omitted] | • [rate margin intentionally omitted] | • [rate margin intentionally omitted] |
| Level IV | ≥ 3.00:1 | • [rate margin intentionally omitted] | • [rate margin intentionally omitted] | • [rate margin intentionally omitted] |

| | | | | |
|--|--|-----------------|-----------------|-----------------|
| | | <i>omitted]</i> | <i>omitted]</i> | <i>omitted]</i> |
|--|--|-----------------|-----------------|-----------------|

- (b) Upon the occurrence of, and during the continuance of, an Event of Default, the Applicable Margin shall, on written notice by the Agent to the Borrower, be at Level IV plus • *[rate margin intentionally omitted]*% per annum.

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

"**Approved Fund**" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Arm's Length**" has the meaning ascribed thereto in subsection 251(1) of the *Income Tax Act* (Canada); and "**Non-Arm's Length**" shall have the opposite meaning.

"**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 E or any other form approved by the Agent.

"**Associate**" means an "associate" as defined in the *Business Corporations Act* (Ontario).

"**Auditor**" means the Parent's auditor, being KPMG LLP and includes its successors and any replacement auditor from time to time.

"**BA Discount Proceeds**" means, with respect to a particular Bankers' Acceptance or BA Equivalent Note, the following amount:

$$\frac{F}{1 + \frac{D \times T}{365}}$$

where

F means the face amount of such Bankers' Acceptance or BA Equivalent Note;

D means the applicable BA Discount Rate for such Bankers' Acceptance or BA Equivalent Note; and

T means the number of days to maturity of such Bankers' Acceptance or BA Equivalent Note,

with the amount as so determined being rounded up or down to the fifth decimal place and .000005 being rounded up.

"**BA Discount Rate**" means:

- (a) with respect to any Lender which is a Schedule I Lender, and in respect of a Bankers' Acceptance being purchased by such Lender on any day, CDOR for a term which is comparable to the term of such Bankers' Acceptance, at or about 10:00 a.m., Toronto time, on such date; and

- (b) with respect to any Lender which is not a Schedule I Lender, and in respect of a Bankers' Acceptance being purchased by such Lender or a BA Equivalent Note being issued by such Lender on any day, the lower of (i) such Lender's bid rate for bankers' acceptances with a term equal to the term selected by the Borrower; and (ii) the sum of CDOR, as determined pursuant to (a) above, applicable to bankers' acceptances for a term which is comparable to the term of the applicable Bankers' Acceptance or BA Equivalent Note plus • [rate margin intentionally omitted] basis points.

"**BA Equivalent Note**" has the meaning set forth in Section 6.01(1).

"**BA Lender**" means any Lender which has not notified the Agent in writing that it is unwilling or unable to accept Drafts as provided for in Article 6.

"**BA Stamping Fee**" means the amount calculated by multiplying the face amount of a Bankers' Acceptance or a BA Equivalent Note by the BA Stamping Fee Rate and then multiplying the result by a fraction, the numerator of which is the number of days to elapse from and including the date of acceptance of such Bankers' Acceptance or purchase of such BA Equivalent Note by a Lender up to but excluding the maturity date of such Bankers' Acceptance or BA Equivalent Note and the denominator of which is 365.

"**BA Stamping Fee Rate**" means, with respect to a Bankers' Acceptance or a BA Equivalent Note, the applicable percentage rate per annum indicated below the reference to "BA Stamping Fee Rate" in the definition of "Applicable Margin" relevant to the period in respect of which a determination is being made.

"**Bankers' Acceptance**" or "**BA**" means a depository bill, as defined in the *Depository Bills and Notes Act* (Canada) in Canadian Dollars that is in the form of a Draft signed by or on behalf of the Borrower and accepted by a BA Lender as contemplated under Section 6.01 or, for Lenders not participating in clearing services as contemplated in that Act, a draft or other bill of exchange in Canadian Dollars that is signed on behalf of the Borrower and accepted by a Lender.

"**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".

"**Borrower**" means Terago Networks Inc.

"**Borrower's Canadian Account**" means a Canadian Dollar account of the Borrower maintained at the Agent's Account Branch, into which proceeds of Advances in Canadian Dollars may be deposited or credited.

"**Borrower's Counsel**" means the firm of Norton Rose Fulbright Canada LLP or such other firm or firms of legal counsel as the Borrower may from time to time designate.

"Borrower's US Account" means a US Dollar account of the Borrower maintained at the Agent's Account Branch, into which proceeds of Advances in US Dollars may be deposited or credited.

"Breakage Costs" means all costs, losses and expenses incurred by any Lender by reason of the breakage of LIBOR contracts, all as set out in a certificate delivered to the Borrower by any Lender entitled to receive such reimbursement.

"Business" means providing broadband communications services to businesses through wireline or wireless, Internet Protocol communications network for internet access, data connectivity, voice over IP, data centre services and cloud-based information technology solutions.

"Business Day" shall mean 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 LIBOR Advances, shall also mean any day other than a Saturday or a Sunday on which banks are generally open for business in New York, New York and London, England and on which transactions can be carried on in the London interbank market and when used in respect of US Base Rate Advances, shall also mean any day other than a Saturday or a Sunday on which banks generally are open for business in New York, New York.

"Canadian Dollars", **"Cdn. Dollars"** and **"Cdn. \$"** mean the lawful money of Canada.

"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.

"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, any expenditure (other than expenditures to the extent made from net proceeds of an Event of Loss) made by any Person for the purchase, lease, acquisition, license, erection, development, improvement, construction or replacement of capital assets, including any such expenditure financed by way of a Capital Lease or any other expenditure required to be capitalized, all as determined in accordance with GAAP.

"Capital 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 for as a capital lease on the balance sheet of that Person.

"Cash Equivalents" means:

- (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the Government of Canada or of any Canadian province (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the Government of Canada or of such Canadian province), in each case maturing within one year from the date of acquisition thereof;

- (b) investments in commercial paper maturing within 365 days from the date of acquisition thereof and rated, at such date of acquisition, at least "Prime 1" (or the then equivalent grade) by Moody's or "A" (or the then equivalent grade) by S&P or R-1 Low (or the then equivalent) by Dominion Bond Rating Service Limited; and
- (c) investments in certificates of deposit, bankers' acceptances, commercial paper and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of Canada or of any Canadian province having, at such date of acquisition, a credit rating on its long-term unsecured Debt of at least "A-" by S&P.

"**CDOR**" means, on any date, the annual rate of interest which is the rate based on an average rate applicable to Canadian Dollar bankers' acceptances for a specified term appearing on the "Refinitiv Screen Canadian Dollar Offered Rate (CDOR) Page" (or any display substituted therefore) of Reuters Monitor Money Rates Service at approximately 10:15 a.m. (Toronto time), on such date, or if such date is not a Business Day, then on the immediately preceding Business Day, provided that if such rate does not appear on such Refinitiv Screen Canadian Dollar (CDOR) Page on such date as contemplated, then CDOR on such date shall be the rate for the term referred to above applicable to Canadian Dollar bankers' acceptances quoted by the Agent as of 10:15 a.m. (Toronto time) on such date or, if such date is not a Business Day, then on the immediately preceding Business Day. CDOR shall at no time be less than 0%.

"**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 the occurrence of any event whereby any Person (including its Affiliates) collectively (a) owns or controls, directly or indirectly, an amount equal to or greater than 50% of the outstanding Equity Interests of the Parent or (b) owns or controls a sufficient number of voting securities of the Borrower to control the Parent or in fact control the Parent. For the purposes of this definition "control" of any Person means the possession, directly or indirectly, of the power to elect or appoint a majority of the board of directors of, or persons performing similar functions in respect of, such Person, whether through the ownership of voting securities, by contract, or otherwise.

"**Closing Date**" means June 6, 2014.

"**Commitment**" means, in respect of each Lender from time to time, the maximum amount of Advances which the 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.

"**Compliance Certificate**" means the certificate required pursuant to Section 10.03(4), substantially in the form annexed as Schedule D and signed by a senior officer of the Borrower.

"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 (i) endorsements of instruments for deposit or collection or indemnities provided in the ordinary course of business and (ii) customary indemnities provided in connection with Acquisitions.

"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.

"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.

"Conversion" means a conversion of an Advance pursuant to Section 2.06(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 in connection with a Conversion pursuant to Section 2.06.

"Convertible Debt" means Debt of an Obligor that has the following attributes: (i) contains no amortization or required principal payments during the term of this Agreement, (ii) is unsecured, (iii) has a maturity date past the Maturity Date, (iv) the issuer of such Debt shall have the right, in its sole and absolute discretion, to satisfy the outstanding principal amount of such Debt by the issuance of Equity Interests of the Parent upon the redemption or maturity of such Debt; (v) such Debt may not be accelerated while any of the Obligations remain outstanding provided however, that the holder of such Debt may make and present proofs of claim against such Obligor, on account of such Debt, or file such other motion or pleading as may be expedient or proper to establish the entitlement of the holder of such Debt to payment of such Debt; and (vi) the aggregate amount of all such Debt (both outstanding and to be issued) shall not exceed 75% of the market capitalization of the Parent tested at the time of issue.

"Credit Facilities" means the Revolving Facility, the Swingline Facility and the Term Facility and **"Credit Facility"** means any one of them.

"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 seller or lender 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 Capital Leases;
- (f) all reimbursement obligations, contingent or otherwise, of such Person under bankers' acceptance, letter of credit and similar facilities;
- (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for cash or debt any partnership or shareholder or other equity interests of such Person prior to the Maturity Date, provided that the conditions to the performance of such Obligations shall have been satisfied on such date;
- (h) all Contingent Obligations of such Person in respect of Debt of another Person;
- (i) all indebtedness of another Person secured by an Encumbrance on any Property of an Obligor which shall be limited to the fair market value of the relevant Property;
- (j) all obligations relating to the continuing investment or collateralization in connection with the securitization or factoring (or other form of credit enhancement) of any Property of an Obligor;
- (k) the negative mark-to-market termination value of any Hedge Arrangements to which such Person is a party; and
- (l) any other obligation arising under arrangements or agreements that, in substance, provide financing to such Person.

Trade payables, customer deposits and accrued liabilities (excluding Taxes Payable) which constitute liabilities incurred in the normal course of an Obligor's Business that are not referred to this definition shall not constitute "Debt".

"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.

"Depreciation Expense" means, for any period, depreciation, amortization, depletion and other like reductions to income of the Parent and its Subsidiaries for such period not involving any outlay of cash, determined without duplication and on a consolidated basis in accordance with GAAP.

"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.

"Distribution" shall mean, 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; (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, including without limitation bonus payments made to any such person in respect of performance targets, shall not constitute Distributions hereunder.

"Draft" has the meaning set forth in Section 6.01(1).

"Drawdown" means:

- (a) the advance of a Prime Rate Advance, a US Base Rate Advance or a LIBOR Advance (including a deemed Prime Rate Advance or a deemed US Base Rate Advance pursuant to Section 2.02);
- (b) the issue of Bankers' Acceptances or BA Equivalent Notes; or
- (c) 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 2.06.

"EBITDA" means, for any period and without duplication, the consolidated Net Income of the Parent:

- (a) (A) increased, to the extent deducted in calculating the consolidated Net Income of the Parent, by the sum of: (i) Interest Expense, (ii) all income taxes of the

Parent and its Subsidiaries paid or accrued in accordance with GAAP for such period (other than income taxes attributable to extraordinary, unusual or non-recurring gains or losses or taxes attributable to sales or dispositions outside the normal course of business); (iii) Depreciation Expense; (iv) severance costs, restructuring costs and asset impairment charges; (v) acquisition transition services costs in aggregate amount up to \$1,000,000 and any amount that is in excess of \$1,000,000 that has been incurred within a twelve (12) month period shall be subject to consent of the Lenders, acting reasonably; and (vi) gains or losses arising from foreign exchanges and stock-based compensation; and (B) decreased, to the extent added in calculating the consolidated Net Income of the Parent, by (i) any non-cash items increasing the consolidated Net Income of the Parent for such period; (ii) all cash payments during such period relating to non-cash charges which were added back in determining consolidated EBITDA in any prior period; (iii) unusual or non-recurring non-cash charges which require an accrual of, or a reserve for, cash charges for any future period; and (iv) all unrealized gains and losses resulting from mark-to-market accounting for Hedge Arrangements; all as determined at such time in accordance with GAAP; and

- (b) provided that the EBITDA attributable to any Acquisition (or divestiture) shall be included (or deducted) on a *pro forma* basis as if the Acquisition (or divestiture) had been completed on the first day of the relevant measurement period, on a basis that includes (or excludes) actual historical results of the business acquired (or divested) and in the case of any Acquisition, reflects any objective and readily quantifiable adjustments arising from such transaction.

"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.

"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 Capital 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 Liability" means any liability of an Obligor arising from the breach of any Requirement of 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 Spot Rate.

"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.

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

"Event of Loss" means, with respect to any Property, any of the following: (i) any loss destruction or damage of such Property, or (b) any condemnation, seizure, or taking, by exercise of the power of eminent domain or otherwise, of such Property, or confiscation of such Property or the requisition of the use of such Property (or any deed in lieu thereof) in each case in which the Obligor losing such Property receives compensation or insurance proceeds for such loss.

"Excess Cash Flow" means, in respect of any Fiscal Year of the Parent, without duplication, EBITDA for such Fiscal Year less the aggregate for such Fiscal Year of:

- (a) all scheduled principal repayments pursuant to the Term Facility and pursuant to the Acquisition Facility (as defined in the Original Credit Agreement),
- (b) Capital Expenditures,
- (c) cash paid Interest Expense, and
- (d) cash Taxes paid.

"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, capital taxes and franchise 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 taxes imposed under Part XIII of the *Income Tax Act* (Canada) by reason of (x) any Obligor not dealing at Arm's Length with the Agent, a Lender or the Issuing Lender or (y) the Agent, a Lender or the Issuing Lender being a "specified non-resident shareholder" of any Obligor or not dealing at arm's length with a "specified shareholder" of any Obligor (in each case within the meaning of the *Income Tax Act* (Canada), and (d) any withholding tax that is directly attributable to a Lender's failure to comply with Section 15.02(5).

"FATCA Withholding Tax" means any United States federal withholding tax imposed or collected pursuant to sections 1471 through 1474 of the Revenue Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of those sections of the U.S. Internal Revenue Code of 1986 (as amended).

"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, all loans made by that Person and 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.

"Fiscal Quarter" means each successive three-month period of the Parent'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, in respect of any period the ratio calculated by dividing (i) EBITDA less Unfunded Capital Expenditures, cash Taxes and Distributions of the Borrower made in cash for such period by (ii) Fixed Charges, all as determined on a consolidated basis for the most recently completed Four Quarter Period.

"Fixed Charges" means, without duplication and on a consolidated basis, with respect to the Parent for any period, the sum of all scheduled principal repayments and cash paid and payable Interest Expense, in each case, in respect of Total Debt during such period. In determining "scheduled principal repayments" for any applicable Fiscal Quarter for purposes of this definition, any scheduled principal repayments that would have been included in such calculation, but have been reduced or eliminated as a result of the application of any voluntary repayment that was made during such Fiscal Quarter, shall be included notwithstanding any such reduction or elimination (for greater certainty, any scheduled principal payments in any subsequent Fiscal Quarter that are reduced or eliminated as a result of any voluntary repayment shall be included in calculating "scheduled principal repayments" after giving effect to any such reduction or elimination).

"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.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"**GAAP**" means International Financial Reporting Standards (IFRS) which are in effect on the date of this Agreement, as issued by the International Accounting Standards Board (IASB).

"**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.

"**Guarantors**" means, collectively, the Parent and all Subsidiaries of the Parent (other than the Borrower) from time to time and includes their successors and assigns and "**Guarantor**" means any one of them.

"**Hazardous Material**" shall mean any substance, product, waste, pollutant, material, chemical, contaminant, dangerous goods, hazardous waste, constituent or other material listed, regulated, or addressed under any Requirements of Environmental Law, 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**" shall mean 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.

"**Income Tax Expense**" means, with respect to the Borrower, for any period, the aggregate, without duplication and on a consolidated basis, of all Taxes on the income of the Borrower for such period, determined in accordance with GAAP.

"**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).

"**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 Expense" of the Parent means, for any period, without duplication and on a consolidated basis, the aggregate amount of interest and other financing charges paid or payable by the Parent, on account of such period with respect to Debt including interest, amortization of discount and financing fees, commissions, discounts, the interest or time value of money component of costs related to factoring or securitizing receivables or monetizing inventory and other fees and charges payable with respect to letters of credit, letters of guarantee and bankers' acceptance financing, standby fees, and the interest component of Capital Leases, all as determined in accordance with GAAP.

"Interest Payment Date" means,

- (a) with respect to each Prime Rate Advance and US Base Rate Advance, the first Business Day of each calendar month; and
- (b) with respect to each LIBOR Advance, the last Business Day of each applicable Interest Period and, if any Interest Period is longer than three (3) months, the last Business Day of each such three (3) month period during such Interest Period.

"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;
- (b) with respect to each Bankers' Acceptance and BA Equivalent Note, the period selected by the Borrower hereunder and being 1, 2 or 3 months' duration, subject to availability (or, subject to the agreement of the Lenders, a longer or shorter period), commencing on the Drawdown Date, Rollover Date or Conversion Date of such Advance, as the case may be;
- (c) with respect to each LIBOR Advance, the period selected by the Borrower and being of 1, 2 or 3 months' duration, subject to availability, commencing on the applicable Drawdown Date, Rollover Date or Conversion Date of such Advance, as the case may be; and
- (d) 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 unless, in the case of a LIBOR Advance, such next following Business Day falls in the next calendar month in which event the

Borrower shall be deemed to have selected an Interest Period the last day of which is the Business Day next preceding 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 by such Person in any other Person, or (b) loan or advance made by such Person to any other Person. 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. For greater certainty an Acquisition shall not be treated as an Investment.

"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.

"Issuing Lender" means Royal or such other Lender as may from time to time be designated as an Issuing Lender by the Agent and the Borrower.

"Judgement Conversion Date" has the meaning set forth in Section 17.05(1)(b).

"Judgement Currency" has the meaning set forth in Section 17.05(1).

"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 (or their Affiliate) as either a Revolving Lender, a Term Lender or the Swingline Lender and other Persons who may become Lenders from time to time in accordance with this Agreement. A reference to **"Lender"** in this Agreement may mean that Lender in its capacity as a Revolving Lender, a Term Lender or the Swingline Lender, as the case may be, if the context so requires and **"Lender"** means any one of the Lenders and includes each of their successors and permitted assigns.

"Lenders' Counsel" means the firm of Davies Ward Phillips & Vineberg 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 Davies Ward Phillips & Vineberg 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.

"LIBO Rate" means, for each LIBO Interest Period for each LIBOR Advance, the interest rate expressed as a percentage rate per annum calculated on the basis of a 360 day year, equal to:

- (a) the simple average (rounded upward, if necessary, to the nearest whole multiple of 1/16 of one percent per annum of the rates per annum) of the rates for deposits in US Dollars in the London England inter-bank market for a period equal to such LIBOR Interest Period which appears on LIBOR Page 01 of the Reuters Monitor Money Rates Service (or such other page as the Agent, after consultation with the Lenders, shall nominate which replaces that page for the purpose of displaying offered rates of leading banks for London inter-bank deposits in US Dollars for a period equal to such LIBOR Interest Period) as of 11:00 a.m. London, England time on the second Business Day preceding the first day of such LIBOR Interest Period; or
- (b) if a rate is not determinable pursuant to clause (a) of this definition at the relevant time, as determined by the Agent, such rate, as determined by the Agent to be the average (rounded upward, if necessary, to the nearest whole multiple of 1/16 of one percent per annum of the rates per annum) at which deposits in US Dollars are offered by the principal lending office in London, England of the Agent to leading banks in the London inter-bank market at approximately 11:00 a.m. London, England time on the second Business Day preceding the first day of such LIBOR Interest Period for a period comparable to the LIBOR Interest Period and in an amount comparable to the amount of the LIBOR Advance to be outstanding during such LIBOR Interest Period; or
- (c) if the rate is not determinable pursuant to clause (a) or (b) of this definition at the relevant time in respect of the relevant period, Section 2.11 shall apply.

The LIBO Rate shall be no less than 0%.

"LIBO Rate Margin" means, for any period, the percentage rate per annum (expressed on the basis of a year of 360 days) applicable to that period as indicated below the reference to "LIBO Rate Margin" in the pricing grid in the definition of "Applicable Margin".

"LIBOR 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 reference to the LIBO Rate.

"LIBOR Interest Period" means an Interest Period applicable to any LIBOR Advance.

"Loan Documents" means (a) this Agreement, the Security Documents, 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 or after the Closing Date; (b) the fee letters referred to in Section 5.06; and (c) all present and future security, guarantees, 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**" shall mean any one of the Loan Documents.

"**Majority Lenders**" means Lenders holding greater than 66 $\frac{2}{3}$ % of the Commitments under the Credit Facilities provided that should there be two Lenders, "**Majority Lenders**" shall mean both Lenders.

"**Material Adverse Effect**" shall mean an effect that is material and adverse to: (a) the business, operations, properties, assets, or financial condition of the Borrower and its Subsidiaries, (b) the legality, validity or enforceability of any of the Loan Documents, including the validity, enforceability, perfection or priority of the Agent's or the Lenders' liens under the Security, (c) the ability of an Obligor to pay or perform any of their debts, liabilities or obligations under any of the Loan Documents, or (d) the right, entitlement or ability of the Agent or the Lenders to enforce their rights or remedies under any of the Loan Documents.

"**Material Contracts**" means each of the agreements identified in Schedule 9.01(20) 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 have a Material Adverse Effect.

"**Material Leased Property**" means premises that are leased at any time and from time to time by any Obligor in respect of which the annual rent payable pursuant to the applicable lease is in excess of \$500,000 and viewed by the Agent, acting reasonably, as material to the Business provided that all data centres and warehouses shall be deemed to be "Material Leased Property".

"**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 Effect.

"**Maturity Date**" means the earlier of June 30, 2022 and the date on which the Credit Facilities are terminated pursuant to Section 12.02.

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

"**National**" means National Bank of Canada.

"**Net Income**" means, for any period, with respect to the Parent, the consolidated net income (loss) of the Parent, for such period, all as determined in accordance with GAAP.

"**Net Proceeds**" shall mean, 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 federal, provincial, state, local and other taxes required to be accrued as a liability by such Obligor 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.

"Non-Arm's Length" has the meaning specified in the definition of **"Arm's Length"**.

"Non BA Lender" means any Lender which is not a BA Lender.

"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."

"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) owing to each of the Agent, the Lenders (and their Affiliates), and any of them under, in connection with, relating to or with respect to 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 and the Guarantors. As of the Second Closing Date, the Obligors consist of the Parent and the Borrower.

"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.

"Other Connection Taxes" shall mean, 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).

"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.

"Outstanding L/C's" means each of the letters of credit issued by National set forth in Schedule 1.01.

"Parent" means Terago Inc.

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

"Participant" shall have the meaning ascribed to such term in Section 16.04.

"Permitted Debt" means:

- (a) Debt under this Agreement;
- (b) Debt in respect of Purchase Money Security Interests, Capital Leases and any other Debt in an outstanding amount not to exceed \$2,500,000 in the aggregate at any time;
- (c) Convertible Debt;
- (d) Permitted Intercompany Debt;
- (e) Hedge Arrangements in compliance with the provisions of Section 10.04(12);
- (f) Debt in respect of the Outstanding L/C's; and
- (g) Debt consented to in writing by the Lenders from time to time and subject to the terms imposed by the Lenders in connection with such consent.

"Permitted Disposition" means (a) the Disposition of inventory in the ordinary course of business, (b) Dispositions of used, worn-out or surplus equipment in the ordinary course of business and other Dispositions (excluding Intellectual Property and licenses) by Obligor to the extent that no Default or Event of Default exists and the fair market value of the assets Disposed of by all Obligor pursuant to this clause (b) does not exceed \$500,000 in the aggregate during any Fiscal Year, and (c) Dispositions of Property between Obligor.

"Permitted Distributions" means Distributions paid by any Obligor to the Borrower or to an Obligor which is a Subsidiary of the Borrower.

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

- (a) Encumbrances for Taxes, assessments and other governmental charges or levies not yet due or for which instalments have been paid based on reasonable estimates pending final assessments, or 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 reasonable 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) the Encumbrance resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers compensation, employment insurance, performance or surety bonds in the ordinary course of business;
- (h) 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;
- (i) 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;

- (j) 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 \$100,000 in aggregate outstanding at any time;
- (k) 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;
- (l) the Security;
- (m) Purchase Money Security Interests, Capital Leases and other Debt, provided that such Encumbrances secure Debt permitted under subsection (b) of the definition of Permitted Debt; and
- (n) such other Encumbrances as agreed to in writing by the Lenders.

"Permitted Intercompany Debt" means Debt owing by one Obligor to another Obligor.

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

"Pricing Date" is defined in the definition of "Applicable Margin".

"Prime Rate" means a fluctuating rate of interest per annum, expressed on the basis of a year of 365 or 366 days, as applicable, which is equal at all times to the greater of (a) the base rate of interest (however designated) of the Agent (or the Swingline Lender in the case of Prime Rate Advances made under the Swingline Facility) for determining interest chargeable by it on Canadian Dollar commercial loans made in Canada; and (b) 1.0% above CDOR from time to time for one month Canadian Dollar bankers' acceptances having a face amount comparable to the face amount in respect of which the applicable Prime Rate calculation is being made.

"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".

"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 a Credit Facility or all Credit Facilities, the percentage of each Credit Facility or of all Credit

Facilities, as the case may be, which a Lender has agreed to advance to the Borrower, determined by dividing the Lender's Commitment in respect of each Credit Facility or of all Credit Facilities, as the case may be, by the aggregate of all of the Lenders' Commitments with respect to such Credit Facility or all Credit Facilities, as the case may be, and, with respect to an Advance, means the Proportionate Share of the Credit Facility under which such Advance is made, in each case, net of the Commitment under the Swingline Facility and, (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 (including any installation costs or costs of construction) of personal Property (but, for certainty, excluding Equity Interests or personal property acquired in connection with an Acquisition) provided that in each case (i) such Encumbrance is created prior to or concurrent with the acquisition of such personal property, (ii) such Encumbrance does not at any time encumber any personal 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 (including installation costs) of such personal Property at the time it was acquired.

"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(12).

"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 Second Closing Date includes the provinces set forth in Schedule 9.01(18) 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 of ERISA, other than an event for which the provision of notice has been waived.

"Requirements of Environmental Law" means all requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties, judgments and decrees, and (to the extent that they have the force of law but nevertheless including determinations not having the force of law if responsible and prudent Persons engaged in a business similar to the Business would observe such determinations) rules, guidelines, orders, approvals, notices, permits and directives of any federal, territorial, provincial, state, regional, municipal or local judicial, regulatory or administrative agency, board or governmental authority in Canada the United States and any other jurisdiction in which any Obligor has operations or assets, where such

requirements relate to environmental or occupational health and safety matters (as they relate to exposure to a Hazardous Material) and the assets and undertaking of any Obligor and the intended uses thereof, including but not limited to, all such requirements relating to: (a) the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater); (b) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation; (c) occupational safety and health (as they relate to exposure to a Hazardous Material); and (d) the regulation of Hazardous Materials.

"Requirements of Law" means, as to any Person, the Organizational Documents of such Person and 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(a).

"Revolving Lenders" means those Lenders designated as such in Schedule A annexed hereto providing the Revolving Facility to the Borrower pursuant to this Agreement.

"Rollover" means a rollover of a maturing Bankers' Acceptance or BA Equivalent Note into a new Bankers' Acceptance or BA Equivalent Note, as applicable, or the rollover of a maturing LIBOR Advance into a new LIBOR Advance, or an extension of a Letter of Credit in accordance with its terms.

"Rollover Date" means the date of commencement of a new Interest Period applicable to a Bankers' Acceptance or a BA Equivalent Note or a LIBOR Advance that is being rolled over, or the date on which a Letter of Credit is extended.

"Rollover 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 in connection with a Rollover pursuant to Section 2.06.

"Royal" means Royal Bank of Canada.

"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.

"Sanctioned Person" means a person named on the list of Specially Designated Nationals maintained by OFAC.

"Schedule I Lender" means a bank which is chartered under the *Bank Act (Canada)* and named in Schedule I thereto.

"Second Closing Date" means June 30, 2020.

"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 Article 11.

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

"Spot Rate" means, in relation to the conversion of one currency into another currency, the spot rate of exchange for such conversion as quoted by the Bank of Canada at the close of business on the Business Day that such conversion is to be made (or, if such conversion is to be made before close of business on such Business Day, then at approximately close of business on the immediately preceding Business Day) and, in either case, if no such rate is quoted, the spot rate of exchange quoted for wholesale transactions by the Agent on the Business Day such conversion is to be made in accordance with its normal practice

"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.

"Swingline Commitment" means \$2,000,000.

"Swingline Facility" has the meaning set forth in Section 2.01(a).

"Swingline Lender" means Royal.

"Swingline Loan" has the meaning set forth in Section 2.02(2).

"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, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto and for certainty includes Other Taxes.

"Term Facility" has the meaning set forth in Section 2.01(b).

"Term Lenders" means those Lenders designated as such in Schedule A annexed hereto providing the Term Facility to the Borrower pursuant to this Agreement.

"Total Debt" means, with respect to the Parent, without duplication and on a consolidated basis, all Debt of the Parent.

"Total Funded Debt to EBITDA Ratio" means, at any time, the ratio of (a) Total Debt (excluding Convertible Debt) at such time to (b) EBITDA for the most recently completed Four Quarter Period.

"Unfunded Capital Expenditures" means, for any period, the amount that is equal to (i) Capital Expenditures made during such period, minus (ii) the sum of (x) Capital Expenditures made during such period and funded through the issuance of Equity Interests, (y) Capital Expenditures made during such period and funded through the incurrence of subordinated debt (to the extent permitted hereunder), and (z) expenditures made during such period for the acquisition and deployment of equipment and related services in connection with servicing new customer contracts.

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

"US Base Rate" means a fluctuating rate of interest per annum, expressed on the basis of a year of 365 days or 366 days, as applicable, which is equal at all times to the greater of (a) the base rate of interest (however designated) of the Agent (or the Swingline Lender in the case of US Base Rate Advances made under the Swingline Facility) for determining interest chargeable by it on United States Dollar commercial loans in Canada and (b) the sum of (i) the Federal Funds Effective Rate and (ii) 1.00% per annum.

"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 Obligor" means any Obligor existing pursuant to the laws of any State of the United States of America. As of the Closing Date, there are no US Obligors.

"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 maintained by the Obligors 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).

"Welfare Plan" means an employee welfare plan within the meaning of Section 3(1) of ERISA that is applicable to employees of an Obligor resident in the United States of America.

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 shall be made in accordance with GAAP as in effect on the date of this Agreement on a basis consistently applied for each Four Quarter Period. In the event of a change in such GAAP, if requested and agreed to by both the Agent and the Borrower, each acting reasonably, the Borrower and the Agent (with the approval of the Lenders) shall negotiate in good faith to revise (if appropriate) such ratios and covenants to reflect GAAP as then in effect, in which case all calculations thereafter made for the purpose of determining compliance with the financial ratios and financial covenants contained in this Agreement shall be made on a basis consistent with GAAP in existence as at the date of such revisions. Nothing contained in this Agreement or any other Loan Document shall require an Obligor that is not existing pursuant to the laws of Canada or any Province thereof to maintain financial records in accordance with Canadian generally accepted accounting principles, provided that calculations made on a consolidated basis are made in accordance with GAAP.

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.

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.

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. Notwithstanding the foregoing, if with respect to any payment of principal or interest on a LIBOR Advance the succeeding Business Day falls in the next calendar month, the due date for payment of such principal or interest shall be the next

preceding 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 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 the number of days in or such other period of time.

(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.

1.09 Determinations By the Borrower

All provisions contained herein requiring the Borrower to make a determination or assessment of any event or circumstance or other matter to the best of its knowledge shall be deemed to require the Borrower to make all inquiries and investigations as may be reasonable in the circumstances before making any such determination or assessment.

1.10 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.

1.11 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 | – | Assignment and Assumption |
| Schedule F | – | Loan Pricing Corporation Information |
| Schedule 1.01 | – | Outstanding LC's |
| Schedule 9.01(9) | – | Litigation |
| Schedule 9.01(11) | – | Use of Real Property |
| Schedule 9.01(12) | – | Description of Real Property |
| Schedule 9.01(13) | – | Insurance Policies |
| Schedule 9.01(17) | – | Corporate Structure |
| Schedule 9.01(18) | – | Relevant Jurisdictions |
| Schedule 9.01(19) | – | Intellectual Property |
| Schedule 9.01(20) | – | Material Contracts and Material Licences |
| Schedule 9.01(27) | – | Non-Arm's Length Transactions |
| Schedule 9.01(33) | | Accounts |

ARTICLE 2 - THE CREDIT FACILITIES

2.01 Credit Facilities

Subject to the terms and conditions of this Agreement:

- (a) Revolving Facility – the Revolving Lenders establish (on a several and not joint or joint and several basis) in favour of the Borrower a revolving term credit facility (the "**Revolving Facility**") in an amount (including the amount of Advances made in Canadian Dollars and the Equivalent Amount in Canadian Dollars of Advances made in United States Dollars) not to exceed \$5,000,000. All amounts outstanding pursuant to the revolving facility on the Second Closing Date pursuant to the Original Credit Agreement shall continue to be Advances pursuant to the Revolving Facility on the Second Closing Date.

The Revolving Facility shall include a swingline facility in an amount (including the amount of Advances made in Canadian Dollars and the Equivalent Amount in Canadian Dollars of Advances made in United States Dollars) equal to the Swingline Commitment to be made available by the Swingline Lender to the Borrower pursuant to Section 2.02.

- (b) Term Facility - the Term Lenders established on the Closing Date (on a several and not joint or joint and several basis) in favour of the Borrower a non-revolving term loan facility (the "**Term Facility**") in an amount up to \$20,000,000 which amount was increased to \$50,000,000 on March 6, 2015. As of the Second Closing Date, \$28,000,000 remains outstanding pursuant to the Term Facility. The Borrower and the Lenders agree that the \$800,000 outstanding principal amount owing pursuant to the Acquisition Facility (as defined in the Original Credit Agreement) on the Second Closing Date shall be added to the Term Facility so that the principal amount outstanding pursuant to the Term Facility on the Second Closing Date, inclusive of the Acquisition Facility debt, is \$28,800,000. All such outstanding amounts shall continue to be Advances owing pursuant to the Term Facility on the Second Closing Date. On the Second Closing Date, the Term Lenders shall make available an additional advance in the principal amount of \$1,200,000 (without the need for delivery of a Drawdown Notice) the proceeds of which shall be applied by the Agent as a repayment of outstanding Advances under the Revolving Facility (without the need for delivery of a Repayment Notice).

2.02 Swingline Facility

(1) Subject to the terms and conditions of this Agreement, the Swingline Lender establishes in favour of the Borrower a revolving credit facility which is part of the Revolving Facility in an amount (including the amount of Advances made in Canadian Dollars and the Equivalent Amount in Canadian Dollars of Advances made in United States Dollars) equal to the Swingline Commitment on the terms set forth in this Section 2.02 (the "**Swingline Facility**").

(2) At any time that the Borrower would be entitled to obtain Prime Rate Advances and US Base Rate Advances, as the case may be, under the Revolving Facility, the Borrower shall be entitled to draw cheques on the Cdn. Dollar chequing account (as designated in writing to the Swingline Lender from time to time) and US Dollar chequing account (as designated in

writing to the Swingline Lender from time to time), as the case may be, maintained from time to time with the Swingline Lender at the Agent's Account Branch (or in such other accounts with the Swingline Lender at such other branch of the Swingline Lender as may be agreed upon by the Swingline Lender and the Borrower from time to time). The debit balance from time to time in any such Canadian Dollar account shall be deemed to be a Prime Rate Advance outstanding to the Borrower from the Swingline Lender under the Swingline Facility. The debit balance from time to time in any such US Dollar account shall be deemed to be a US Base Rate Advance outstanding to the Borrower from the Swingline Lender under the Swingline Facility. If at any time the Borrower is a party to a cash concentration arrangement with the Swingline Lender, the amount of any overdraft from time to time in the Cdn. Dollar or US Dollar concentration account, as the case may be, of the Borrower established pursuant to such arrangement (which for greater certainty may include one of the Cdn. Dollar or US Dollar accounts identified above) shall, without duplication, be deemed to be a Prime Rate Advance or US Base Rate Advance, as the case may be, outstanding to the Borrower from the Swingline Lender under the Swingline Facility. A Prime Rate Advance or a US Base Rate Advance from the Swingline Lender as contemplated by this subsection, prior to such time as such Advance is repaid as contemplated by Section 2.02(4) or purchased as contemplated by Section 2.02(5), is referred to as a "**Swingline Loan**". Any credit balance in an account from time to time shall be deemed to be a repayment of outstanding Swingline Loans.

(3) The outstanding amount (including Advances made in Canadian Dollars and the Equivalent Amount in Canadian Dollars of Advances made in United States Dollars) of all Swingline Loans at any time shall not exceed the lesser of:

- (a) the Swingline Commitment; and
- (b) the amount, if any, by which:
 - (i) the Revolving Facility Commitment at such time;
exceeds
 - (ii) the amount (including the amount of Advances made in Canadian Dollars and the Equivalent Amount in Canadian Dollars of Advances made in United States Dollars) of all Advances (other than Swingline Loans) outstanding at such time under the Revolving Facility.

(4) The Swingline Lender may (but shall not be obliged to) deliver a written notice to the Agent (which shall thereupon deliver a similar notice to each of the Revolving Lenders) and to the Borrower, or the Agent may itself (but shall not be obliged to) deliver a written notice to each of the Revolving Lenders and to the Borrower requiring repayment of any Swingline Loans outstanding from time to time. Regardless of whether such a notice has been delivered, a notice shall be deemed to be given on the last Business Day of each week. In each such case, the Borrower shall be deemed to have given at such time a Drawdown Notice to the Agent requesting Prime Rate Advances and US Base Rate Advances, as applicable, under the Revolving Facility in an aggregate amount equal to the amount of such Swingline Loans. The Revolving Lenders shall thereupon (irrespective of whether any condition precedent to an Advance has been satisfied, whether the amount of such Advance to be made available under the Revolving Facility is less than, equal to or more than the minimum amount, applicable to such Advance required pursuant to Section 2.06(4)), whether any Default or Event of Default has occurred or is continuing or whether any acceleration or enforcement action (including any

termination of the Credit Facilities and the Commitments) has occurred or commenced under any of the Loan Documents or otherwise or whether the Maturity Date has occurred) make such Prime Rate Advance and US Base Rate Advance, as applicable, under the Revolving Facility and the Agent shall apply the proceeds thereof in repayment of such Swingline Loans. The Agent shall promptly notify the Borrower of any such Prime Rate Advances and US Base Rate Advances, and the Borrower agrees to accept each such Prime Rate Advance and US Base Rate Advance under the Revolving Facility and hereby irrevocably authorizes and directs the Agent to apply the proceeds thereof in payment of the applicable Swingline Loan.

(5) Without limiting Section 2.02(4), on the Maturity Date, or if an Event of Default has occurred and is continuing, each of the Revolving Lenders agrees that it will purchase from the Swingline Lender, and the Swingline Lender agrees that it shall sell to such Revolving Lenders, for cash, at par, without representation or warranty from or recourse against the Swingline Lender (and irrespective of whether any condition precedent to an Advance has been satisfied, any Default or Event of Default has occurred or is continuing or whether any acceleration or enforcement action (including any termination of the Credit Facilities and the Commitments) has occurred or been commenced under any of the Loan Documents or otherwise or whether the Maturity Date has occurred), on a rateable basis, an undivided interest in all Swingline Loans then outstanding. The Agent, upon consultation with the applicable Lenders, shall have the power to settle any documentation required to evidence any such purchase and, if deemed advisable by the Agent, to execute any document as attorney for any Lender in order to complete any such purchase. The Borrower and the Revolving Lenders acknowledge that the foregoing arrangements are to be settled by the Revolving Lenders among themselves, and the Borrower expressly consents to the foregoing arrangements among such Lenders.

2.03 Purpose of Credit Facilities

Advances under the Credit Facilities shall only be used for the following respective purposes:

- (a) Advances under the Revolving Facility and the Swingline Facility shall only be used by the Borrower for working capital and other general corporate purposes of the Borrower (subject to the terms hereof); and
- (b) Advances under the Term Facility shall only be used by the Borrower to repay Debt owing by the Borrower, for working capital purposes.

2.04 Manner of Borrowing

(1) The Borrower may, subject to the terms hereof, make Drawdowns, Conversions and Rollovers as applicable under the Revolving Facility in Canadian Dollars, by way of Prime Rate Advances and Bankers' Acceptances (and BA Equivalent Notes) and in United States Dollars, by way of US Base Rate Advances and LIBOR Advances and by way of Letter of Credit in Canadian Dollars, US 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) The Borrower may, subject to the terms hereof, make Drawdowns, Conversions and Rollovers as applicable under the Term Facility in Canadian Dollars, by way of Prime Rate Advances and Bankers' Acceptances (and BA Equivalent Notes). 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.

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

(4) The Borrower may make Drawdowns under the Swingline Facility in (i) Canadian Dollars by way of Prime Rate Advances, and (ii) United States Dollars by way of US Base Rate Advances.

2.05 Nature of the Credit Facilities

Subject to the terms and conditions hereof, the Revolving Facility and the Swingline Facility are revolving facilities and, accordingly, the Borrower may increase or decrease Advances under the Revolving Facility and the Swingline Facility by making Drawdowns, repayments and further Drawdowns of the amount of Advances that have been repaid. The Term Facility is a non-revolving facility and, accordingly, except for Conversions and Rollovers made in accordance with this Agreement, no amounts repaid under the Term Facility may be reborrowed and the limits of the Term Facility (and the Proportionate Share of the Term Lenders' Commitments under the Term Facility) will be automatically and permanently reduced by the amount of any such repayment so made.

2.06 Drawdowns, Conversions and Rollovers

(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) rollover any Bankers' Acceptances or BA Equivalent Note or LIBOR Advance on the last day of the applicable Interest Period thereof or extend Letters of Credit in accordance with their terms, by giving the Agent a Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be.

(2) In the case of a Drawdown, Conversion or Rollover, the Borrower shall give the Agent a Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be, three (3) Business Days (in the cases of LIBOR Advances and Letters of Credit), two (2) Business Days in the case of Bankers' Acceptances or BA Equivalent Notes, and one (1) Business Day (in the case of all other Advances) prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be.

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

(4) Each Drawdown, Conversion or Rollover under the Credit Facilities shall (i) in the case of Prime Rate Advances, be in a minimum principal amount of \$500,000 for the Term Facility, \$100,000 for the Revolving Facility and, in each case, in whole multiples of \$100,000; (ii) in the case of Banker's Acceptances, be in a minimum face amount of \$500,000 for the Term Facility, \$100,000 for the Revolving Facility and, in each case, in whole multiples of \$100,000; (iii) in the case of US Base Rate Advances, be in a minimum principal amount of US\$100,000 and in whole multiples of US\$100,000; and (iv) in the case of LIBOR Advances, be in a minimum principal amount of US\$500,000 and in whole multiples of US\$100,000.

(5) The provisions of Sections 2.06(1), (2), (3) and (4) do not apply to Swingline Loans.

2.07 Agent's Obligations with Respect to Advances

Upon receipt of a Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be, the Agent shall forthwith notify the Lenders of the proposed Drawdown Date, Conversion Date or Rollover 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.

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

Each Lender shall, prior to 12:00 p.m. (Toronto time) on the Drawdown Date, Conversion Date or Rollover Date, as the case may be, specified by the Borrower in a Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be, credit the Agent's account specified in the Agent's notice given under Section 2.07 with such Lender's Proportionate Share of such Advance and by 12:00 p.m. (Toronto time) on the same date the Agent shall make available the full amount of the amounts so credited to the Borrower.

2.09 Irrevocability

A Drawdown Notice, Conversion Notice or Rollover 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.

2.10 Cancellation or Permanent Reduction of a Credit 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 under the Revolving Facility shall be in a minimum amount of \$1,000,000 and increments of \$100,000 thereafter. If the Revolving Facility is so reduced, the Commitments of each of the Revolving 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 Revolving Lenders in effect immediately prior to such reduction.

2.11 Termination of LIBOR Advances

- (1) If at any time a Lender determines, acting reasonably, (which determination shall be conclusive and binding on the Borrower) that:
- (a) the LIBO Rate does not adequately reflect the effective cost to the Lender of making or maintaining a LIBOR Advance; or
 - (b) it cannot readily obtain or retain funds in the London interbank market in order to fund or maintain any LIBOR Advance for a LIBOR Interest Period selected by the Borrower or cannot otherwise perform its obligations hereunder with respect to any LIBOR Advance for any such period;

then the Lender shall inform the Agent and upon at least two (2) Business Days written notice by the Agent to the Borrower, and

- (c) the right of the Borrower to request LIBOR Advances for such period from that Lender shall be and remain suspended until the Agent notifies the Borrower that any condition causing such determination no longer exists (but, for greater certainty, the Borrower may borrow LIBOR Advances from other Lenders and from that Lender under any other form of Advance permitted by this Agreement); and
- (d) if the Lender is prevented from maintaining a LIBOR Advance, the Borrower shall, at its option, either repay the LIBOR Advance to that Lender or convert the LIBOR Advance into a US Base Rate Advance and the Borrower shall be responsible for any loss or expense that the Lender incurs as a result, including Breakage Costs, if the Lender is prevented from maintaining a LIBOR Advance.

(2) If at any time the Agent determines that the LIBO Rate is not determinable pursuant to clause (a) or (b) in the definition of "LIBO Rate", the Agent shall so notify the Borrower, and the right of the Borrower to request LIBOR Advances for such period shall be and remain suspended until the condition causing such determination no longer exists (for which the Agent shall give notice to the Borrower).

(3) Notwithstanding the foregoing, if the Agent (i) determines that the circumstances described in clause (2) of this section have arisen and such circumstances are unlikely to be temporary, (ii) determines that the circumstances described in clause (2) of this section have not arisen but the supervisor for the administrator of the LIBO Rate or a Governmental Authority having jurisdiction over the Agent has made a public statement identifying a specific date after which the LIBO Rate shall no longer be used for determining interest rates for loans or (iii) new syndicated loans have started to adopt a new benchmark interest rate to replace the LIBO Rate, then the Agent and the Borrower shall endeavor to establish an alternate rate of interest to the LIBO Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable, provided that to the extent that the Agent determines that adoption of any portion of such market convention is not administratively feasible or that no market convention for the administration of such alternate rate of interest exists, the Administrative Agent shall administer such alternate rate of interest in a manner determined by the Administrative Agent in consultation with the Borrower. The Agent shall promptly notify the Lenders of such alternate rate of interest and the Agent. Notwithstanding anything to the contrary, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five (5) Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Majority Lenders stating that such Majority Lenders object to such amendment. If a notice of an alternate rate of interest has been given and no such alternate rate of interest has been determined, and (x) the circumstances under clause (i) or (iii) above exist or (y) the specific date referred to in clause (ii) has occurred (as applicable), US Base Rate shall apply. Provided that, if such alternate rate of interest shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. For certainty, the Borrower shall not be obliged to enter into a amendment to this Agreement to allow for an alternate rate of interest to the LIBO Rate.

2.12 CDOR Discontinuation

(1) If the Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or the Majority Lenders notify the Agent that the Borrower or Majority Lenders (as applicable) have determined that:

- (a) adequate and reasonable means do not exist for ascertaining CDOR, including because the Refinitiv Screen Canadian Dollar Offered Rate (CDOR) Page is not available or published on a current basis for the applicable period and such circumstances are unlikely to be temporary;
- (b) the administrator of CDOR or a Governmental Authority having jurisdiction has made a public statement identifying a specific date after which CDOR will permanently or indefinitely cease to be made available or permitted to be used for determining the interest rate of loans;
- (c) a Governmental Authority having jurisdiction over the Agent has made a public statement identifying a specific date after which CDOR shall no longer be permitted to be used for determining the interest rate of loans (each such specific date in clause (b) above and in this clause (e) is referred to in this Section 2.12 as a “**CDOR Scheduled Unavailability Date**”); or
- (d) syndicated loans currently being executed, or that include language similar to that contained in this Section 2.12, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace CDOR,

then reasonably promptly after such determination by the Agent or receipt by the Agent of such notice, as applicable, the Agent and the Borrower may mutually agree upon a successor rate to CDOR, and the Agent and the Borrower may amend this Agreement to replace CDOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar Canadian Dollars denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate is referred to in this Section 2.12 as a “**CDOR Successor Rate**”), together with any proposed CDOR Successor Rate conforming changes and any such amendment shall become effective at 5:00 p.m. (Toronto time) on the fifth Business Day after the Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Majority Lenders have delivered to the Agent written notice that such Majority Lenders do not accept such amendment. Notwithstanding anything else herein, any definition of the CDOR Successor Rate (exclusive of any margin) shall provide that in no event shall such CDOR Successor Rate be less than zero for the purposes of this Agreement. In addition, CDOR shall not be included or referenced in the definition of Prime Rate.

(2) If no CDOR Successor Rate has been determined and the circumstances under Section 2.12(1)(a) and Section 2.12(1)(d) above exist or a CDOR Scheduled Unavailability Date has occurred (as applicable), the Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Bankers' Acceptances and BA Equivalent Loans, shall be suspended (to the extent of the affected Bankers' Acceptances, BA Equivalent Loans, or applicable Interest Periods). Upon receipt of such notice, the Borrower may revoke any pending request for an Advance of, conversion to or rollover of Bankers'

Acceptances or BA Equivalent Loans (to the extent of the affected Bankers' Acceptances, BA Equivalent Loans, or applicable Interest Periods) or, failing that, will be deemed to have converted such request into a request for an Advance of Prime Rate Advances (subject to the Section 2.12(1)) in the amount specified therein.

2.13 Major Disruption

- (a) If the Agent (acting reasonably) makes a determination, which determination shall be conclusive and binding upon the Borrower, and notifies the Borrower, that there no longer exists an active market for Bankers' Acceptances accepted by the Lenders;
- (b) the Majority Lenders advise the Agent who in turn advises the Borrower that for any reason a market for Bankers' Acceptances does not exist at any time or that the Lenders cannot for other reasons, after reasonable efforts, readily sell Bankers' Acceptances or perform their obligations under this Agreement with respect to Bankers' Acceptances;
- (c) the Agent is advised by Lenders holding at least 25% of the Commitments of all Lenders hereunder by written notice (each, a "**Lender BA Suspension Notice**") that such Lenders have determined (acting reasonably and in good faith) that the BA Discount Rate will not or does not accurately reflect the cost of funds of such Lenders or the discount rate which would be applicable to a sale of Bankers' Acceptances accepted by such Lenders in the market;

then:

- (i) the right of the Borrower to request Bankers' Acceptances or BA Equivalent Notes from any Lender shall be suspended until the Agent determines that the circumstances causing such suspension no longer exist, and so notifies the Borrower and the Lenders;
- (ii) any outstanding Drawdown Notice requesting an Advance by way of Bankers' Acceptances or BA Equivalent Notes shall be deemed to be a Drawdown Notice requesting an Advance by way of Prime Rate Advances in the amount specified in the original Drawdown Notice;
- (iii) any outstanding Conversion Notice requesting a conversion of an Advance into an Advance by way of Bankers' Acceptances or BA Equivalent Notes shall be deemed to be a Conversion Notice requesting a conversion of such Advances into an Advance by way of Prime Rate Advances; and
- (iv) any outstanding Rollover Notice requesting a rollover of an Advance by way of Bankers' Acceptances or BA Equivalent Notes, shall be deemed to be a Conversion Notice requesting a conversion of such Advances into an Advance by way of Prime Rate Advances.

The Agent shall promptly notify the Borrower and the Lenders of any suspension of the Borrower's right to request Advances by way of Bankers' Acceptances or BA Equivalent Notes and of any termination of any such suspension. A Lender BA Suspension Notice shall be

effective upon receipt of the same by the Agent if received prior to 2:00 p.m. (Toronto time) on a Business Day and if not, then on the next following Business Day, except in connection with an outstanding Drawdown Notice, Conversion Notice or Rollover Notice, in which case the applicable Lender BA Suspension Notice shall only be effective with respect to such outstanding Drawdown Notice, Conversion Notice or Rollover Notice if received by the Agent prior to 2:00 p.m. (Toronto time) two (2) Business Days prior to the proposed date of Advance, date of conversion or date of rollover (as applicable) applicable to such outstanding Drawdown Notice, Conversion Notice or Rollover Notice, as applicable.

ARTICLE 3 - DISBURSEMENT CONDITIONS

3.01 Conditions Precedent to Effectiveness of this Agreement

The obligations of the Lenders under this Agreement are subject to and conditional upon the following conditions precedent being satisfied as of the date of the first Drawdown:

- (a) this Agreement shall have been executed and delivered by all parties hereto;
- (b) the Agent shall have received timely notice as required under Section 2.06(2);
- (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 of the Obligors;
- (d) the Agent shall have received a certificate listing all of the directors of the Obligors along with an identification of each of their occupation and all other information regarding the directors of the Borrower and each other Obligor reasonably requested by the Agent;
- (e) certificates of status or good standing, as applicable, for all Relevant Jurisdictions of each Obligor shall have been delivered to the Agent;
- (f) each Obligor shall be in compliance with all Material Contracts and Material Licences to the satisfaction of the Lenders, acting reasonably and copies of all Material Contracts and Material Licences if any, applicable to each Obligor, certified by such Obligor to be true, shall have been delivered to the Agent;
- (g) evidence that the Borrower has obtained all necessary or required consents or approvals of any Governmental Authority or other Person in connection with the Loan Documents;
- (h) no Material Adverse Effect shall have occurred since March 31, 2020;
- (i) releases, discharges and postponements with respect to all Encumbrances which are not Permitted Encumbrances, if any, shall have been delivered to the Agent;

- (j) payment of a fee to the Agent on behalf of the Lenders in the amount of \$70,000;
- (k) payment of all amounts and reasonable fees (including reasonable fees of Lenders' Counsel and local counsel) payable to the Lenders or the Agent;
- (l) a currently dated letter of opinion of the Borrower's Counsel along with the opinions of local counsel shall have been delivered to the Agent;
- (m) the Borrower shall have delivered to the Agent certificates of insurance acceptable to the Agent showing, *inter alia*, the Agent as a loss payee as its interest may appear on all applicable insurance policies of the Obligor;
- (n) a Compliance Certificate calculated as at March 31, 2020 reflecting the Borrower's *pro forma* Debt as at the Second Closing Date shall have been delivered to the Agent;
- (o) receipt by the Lenders of all required Know Your Client and AML information and documentation;
- (p) no Default or Event of Default has occurred and is continuing on the Drawdown Date or would result from making the Advance and a senior officer of the Borrower shall have certified the same to the Lenders;
- (q) all representations and warranties contained in this Agreement shall be true and correct; and
- (r) 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;

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.

3.02 Conditions Precedent to Subsequent Advances

The obligation of the Lenders to make any Advance after the Second 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 2.06(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 Effect shall exist; and

- (d) 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 STANDBY 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 or, in respect of Prime Rate Advances under the Swingline Facility, the Swingline Lender 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 or, in respect of US Base Rate Advances under the Swingline Facility, the Swingline Lender, 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 Interest on LIBOR Advances

The Borrower shall pay interest on each LIBOR Advance during each Interest Period applicable thereto in United States Dollars at a rate per annum equal to the sum of (i) the LIBO Rate in effect for such Interest Period plus (ii) the LIBO Rate Margin. Each determination by the Agent of the LIBO Rate and the LIBO Rate Margin applicable from time to time for an Interest Period shall, in the absence of manifest error, be binding upon the Borrower. Subject to Section 5.07, 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, Rollover 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 LIBOR Advance outstanding during such period and on the basis of the actual number of days elapsed divided by 360.

5.04 No Set-Off, Deduction etc.

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.

5.05 Standby Fees

The Borrower shall pay to the Agent for the account of the Revolving 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 daily average of the aggregate of all Advances outstanding under the Revolving Facility (including, for certainty, amounts outstanding under the Swingline Facility), during such month is less than the maximum amount available under the Revolving Facility (which, for greater certainty, is \$5,000,000 on the Second 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 month.

5.06 Fee Letters

The Borrower shall pay to the Agent and the Lenders such fees in such amounts, and on the terms and conditions, set out in any fee letter between the Borrower, Royal and the Lenders (or any of them), as such letter or letters may be amended, supplemented or replaced from time to time, or as otherwise agreed to in writing from time to time by the parties thereto. For greater certainty, each such fee letter and all such written arrangements to which Royal and the Borrower are a party relating to the payment of fees in respect to this Agreement shall constitute Loan Documents, shall survive the execution of this Agreement and shall in all respects remain operative and binding on the Borrower. Such fees shall be non-refundable and shall be deemed to 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 rate of interest applicable under this Agreement from time to time to such type of Advance from the date of such non-payment until paid in full. If any LIBOR 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 rate of interest applicable under this Agreement from time to time to US Base Rate Advances from the date of such non-payment until paid in full.

(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 rate of interest applicable under this Agreement from time to time to the type of Advance in respect of which such interest was not paid from the date of such non-payment until paid in full. If all or part of any interest in respect of any LIBOR 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 rate of interest applicable under this Agreement from time to time to US Base Rate Advances from the date of such non-payment until paid in full.

5.08 Interest on Other Amounts

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 • *[interest rate intentionally omitted]*% (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 • *[interest rate intentionally omitted]*% (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 - BANKERS' ACCEPTANCES AND LETTERS OF CREDIT

6.01 Bankers' Acceptances

(1) To facilitate the procedures contemplated in this Agreement, the Borrower irrevocably appoints each Lender from time to time as the attorney-in-fact of the Borrower to execute, endorse and deliver on behalf of the Borrower drafts (including book based forms and electronic paper) in the forms prescribed by such Lender (if such Lender is a BA Lender) for bankers' acceptances denominated in Cdn. Dollars (each such executed draft which has not yet been accepted by a Lender being referred to as a "**Draft**") or non interest-bearing promissory notes of the Borrower in favour of such Lender (if such Lender is a Non BA Lender) (each such promissory note being referred to as a "**BA Equivalent Note**"). Each Bankers' Acceptance and BA Equivalent Note executed and delivered by a Lender on behalf of the Borrower as provided for in this Section shall be as binding upon the Borrower as if it had been executed and delivered by a duly authorized officer of the Borrower.

(2) Notwithstanding Section 6.01(1), the Borrower will from time to time as required by the applicable Lender provide to the Lenders an appropriate number of Drafts drawn by the Borrower upon each BA Lender and either payable to a clearing service (if such BA Lender is a member thereof) or payable to the Borrower and endorsed in blank by the Borrower (if such BA Lender is not a member of such clearing service) and an appropriate number of BA Equivalent Notes in favour of each Non BA Lender. The dates, the maturity dates and the principal amounts of all Drafts and BA Equivalent Notes delivered by the Borrower shall be left blank, to be completed by the Lenders as required by this Agreement. All such Drafts or BA Equivalent Notes shall be held by each Lender subject to the same degree of care as if they were such Lender's own property kept at the place at which the Drafts or BA Equivalent Notes are ordinarily kept by such Lender. Each Lender, upon written request of the Borrower, will promptly advise the Borrower of the number and designation, if any, of the Drafts and BA Equivalent Notes then held by it. No Lender shall be liable for its failure to accept a Draft or purchase a BA Equivalent Note as required by this Agreement if the cause of such failure is, in whole or in part, due to the failure of the Borrower to provide on a timely basis appropriate Drafts or BA Equivalent Notes to the applicable Lender as may be requested by such Lender on a timely basis from time to time.

(3) The Agent, promptly following receipt of a Drawdown Notice requesting Bankers' Acceptances, shall (i) advise each BA Lender of the face amount and the term of the Draft to be accepted by it and (ii) advise each applicable Non BA Lender of the face amount and term of the BA Equivalent Note to be purchased by it. All Drafts to be accepted from time to time by each BA Lender that is a member of a clearing service shall be payable to such clearing service. The term of all Bankers' Acceptances and BA Equivalent Notes issued pursuant to any Drawdown Notice shall be identical. Each Bankers' Acceptance and BA Equivalent Note shall be dated the Drawdown Date on which it is issued and shall be for a term of 1, 2 or 3 months, subject to availability, provided that in no event shall the term of a Bankers' Acceptance or a BA Equivalent Note extend beyond the Maturity Date. The face amount of the Draft (or the aggregate face amount of the Drafts) to be accepted at any time by each Lender which is a BA Lender, and the face amount of the BA Equivalent Notes to be purchased at any time by each Lender which is a Non BA Lender, shall be determined by the Agent based upon the amounts of their respective Commitments under the applicable Credit Facility. In determining a Lender's Proportionate Share of a request for Bankers' Acceptances, the Agent, in its sole discretion, shall be entitled to increase or decrease the face amount of any Draft, or BA Equivalent Note to the nearest \$100,000.

(4) Each BA Lender shall complete and accept on the applicable Drawdown Date a Draft having a face amount (or Drafts having the face amounts) and term advised by the Agent pursuant to subsection 6.01(3). Each applicable BA Lender shall purchase on the applicable Drawdown Date the Bankers' Acceptance accepted by it, for an aggregate price equal to the BA Discount Proceeds of such Bankers' Acceptance. The Borrower shall ensure that there is delivered to each applicable BA Lender that is a member of a clearing service the completed Bankers' Acceptances, and such BA Lender is hereby authorized to release the Bankers' Acceptance accepted by it to such clearing house upon receipt of confirmation that such clearing house holds such Bankers' Acceptance for the account of such BA Lender.

(5) Each Non BA Lender, in lieu of accepting Drafts or purchasing Bankers' Acceptances on any Drawdown Date, will complete and purchase from the Borrower on such Drawdown Date a BA Equivalent Note in a face amount and for a term identical to the face amount and term of the Draft which such Non BA Lender would have been required to accept on such Drawdown Date if it were a BA Lender, for a price equal to the BA Discount Proceeds of such BA Equivalent Note.

(6) The Borrower shall pay to each BA Lender in respect of each Draft tendered by the Borrower to and accepted by such BA Lender, and to each Non BA Lender in respect of each BA Equivalent Note tendered to and purchased by such Non BA Lender, as a condition of such acceptance or purchase, the BA Stamping Fee.

(7) Upon acceptance of each Draft or purchase of each BA Equivalent Note, the Borrower shall pay to the applicable Lender the related fee specified in Section 6.01(6), and to facilitate payment such Lender shall be entitled to deduct and retain for its own account the amount of such fee from the amount to be transferred by such Lender to the Agent for the account of the Borrower pursuant to this Agreement in respect of the sale of the related Bankers' Acceptance or of such BA Equivalent Note.

(8) If the Agent determines in good faith, which determination shall be final, conclusive and binding upon the Borrower, and so notifies the Borrower, that there does not exist at the applicable time a normal market in Canada for the purchase and sale of bankers' acceptances, any right of the Borrower to require the Lenders to purchase Bankers' Acceptances and BA Equivalent Notes under this Agreement shall be suspended until the Agent determines that such market does exist and gives notice thereof to the Borrower and any Drawdown Notice, Conversion Notice or Rollover Notice requesting Bankers' Acceptances shall, for the duration of such circumstances, be deemed to be a Drawdown Notice or Conversion Notice requesting a Prime Rate Advance in a similar aggregate principal amount. When a normal market in Canada for the purchase of Bankers' Acceptances and BA Equivalent Notes has returned, the Agent shall provide notice of such to the Borrower.

(9) On the date of maturity of each Bankers' Acceptance or BA Equivalent Note, the Borrower shall pay to the Agent, for the account of the holder of such Bankers' Acceptance or BA Equivalent Note, in Canadian Dollars an amount equal to the face amount of such Bankers' Acceptance or BA Equivalent Note, as the case may be (subject to standard and customary mechanics in connection with Rollovers or Conversions pursuant to Section 2.06). The obligation of the Borrower to make such payment shall not be prejudiced by the fact that the holder of such Bankers' Acceptance is the Lender that accepted such Bankers' Acceptances. No days of grace shall be claimed by the Borrower for the payment at maturity of any Bankers' Acceptance or BA Equivalent Note. If the Borrower does not make such payment, from the proceeds of an Advance obtained under this Agreement or otherwise, the amount of such

required payment shall be deemed to be a Prime Rate Advance to the Borrower from the Lender that accepted such Banker's Acceptance or purchased such BA Equivalent Note.

(10) The signature of any duly authorized officer of the Borrower on a Draft or a BA Equivalent Note may be mechanically reproduced in facsimile, and all Drafts and BA Equivalent Notes bearing such facsimile signature shall be as binding upon the Borrower as if they had been manually signed by such officer, notwithstanding that such Person whose manual or facsimile signature appears on such Draft or BA Equivalent Note may no longer hold office at the date of such Draft or BA Equivalent Note or at the date of acceptance of such Draft by a BA Lender or at any time thereafter.

(11) The Lenders may from time to time hold, sell, rediscount or otherwise dispose of any or all Bankers' Acceptances accepted and purchased by it.

6.02 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 2.06(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 (1) year (provided that renewable Letters of Credit may be issued, subject to agreement of the Issuing Lender, with a final expiry date prior to the Maturity Date (or subsequent to the Maturity Date if cash collateralized to the satisfaction of the Agent). 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 Obligors.

(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 Revolving Lenders of such demand; and
 - (ii) make demand on each Revolving 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. 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.

(6) The Borrower shall, within ninety (90) days of the Second Closing Date (or such longer period as agreed to by the Agent in its discretion), issue replacement Letters of Credit pursuant to this Agreement with the Issuing Lender for the purpose of replacing the Outstanding L/C's.

(7) The Borrower hereby undertakes to indemnify and hold harmless the *Issuing* Lender and each of the Revolving 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.

(8) 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 themselves or 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.

(9) A certificate of the Agent as to the amounts paid by any Lender pursuant to this Section 6.02 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.

(10) 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 face 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 \$250 or US\$250, as the case may be. In addition, the Borrower shall also pay to the Issuing Lender a fronting fee equal to • [fee rate intentionally omitted] % per annum on the face amount of each Letter of Credit in the currency of such Letter of Credit on the date of issuance and

renewal of such Letter of Credit. 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.

(11) 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.

(12) 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.

(13) 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 Royal in the case of the Outstanding L/C's) 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.

(14) 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 6.02(14), 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.

ARTICLE 7 – REPAYMENT

7.01 Mandatory Repayment of Principal – Revolving Facility

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(9) with respect to any Bankers' Acceptances and BA Equivalent Notes outstanding thereunder on the Maturity Date and all amounts payable

by the Borrower to the Agent under Section 6.02(12) 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 Mandatory Repayment of Principal – Term Facility

(1) Subject to the terms hereof, the Term Facility shall be repaid by the Borrower in quarterly instalments of \$750,000 on the last day of each Fiscal Quarter of the Borrower commencing on September 30, 2020. Each payment shall be on a Business Day and if such day is not a Business Day, such payment shall be on the first preceding Business Day.

(2) The Borrower shall repay the outstanding principal amount of all Advances under the Term Facility, together with all accrued interest, fees and other amounts then unpaid by it under the Term Facility in full on the Maturity Date, and the Term Facility and the Commitments thereunder shall be automatically terminated on the Maturity Date.

7.03 Voluntary Repayments and Reductions

(1) Subject to the Agent receiving a Repayment Notice which shall be given not less than three (3) Business Days prior to the proposed repayment date and which shall be irrevocable, the Borrower may from time to time repay Advances outstanding under any of the Credit Facilities without premium, penalty or bonus provided that each such repayment shall be in a minimum aggregate amount of \$500,000 and in whole multiples of \$100,000 for Advances denominated in Canadian Dollars and in a minimum aggregate amount of US\$500,000 and in whole multiples of US\$100,000 for Advances denominated in United States Dollars. Notwithstanding the foregoing (i) LIBOR Advances may not be repaid prior to the end of the applicable LIBOR Interest Period unless the Borrower pays to the Agent (for the account of each Lender) an amount equal to all Breakage Costs, if any; and (ii) Bankers' Acceptances, BA Equivalent Notes and 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. The requirement to give a Repayment Notice and the minimum repayment amounts referenced in this Section 7.03 shall not apply to repayment of Advances under the Swingline Facility. The determination of the amount of any Breakage Costs resulting from, arising out of, or imposed upon or incurred by any Lender as a result of the repayment of any LIBOR Advance prior to the end of the applicable LIBOR Interest Period, when evidenced by a certificate from that Lender giving a reasonably detailed calculation of the amount of such loss, cost or expense, shall be *prima facie* evidence of the same.

(2) Each voluntary repayment by the Borrower of the Term Facility will be applied to principal repayments due under Section 7.02 in inverse order of maturity.

(3) Any repayment of the Term Facility (regardless as to whether scheduled mandatory or voluntary) may not be reborrowed. Each repayment (regardless as to whether scheduled mandatory or voluntary) of the Term Facility shall permanently reduce the Commitment of each Term Lender in respect of the Term Facility by the amounts of the Term Lender's Proportionate Share of such repayments. For greater certainty, the Borrower shall not have the right thereafter to increase the committed amount of the Term Facility so reduced.

7.04 Mandatory Repayments on Additional Financings

(1) If, except where otherwise agreed to by the Lenders, any incurrence of Debt (other than Permitted Debt) occurs at any time, an amount equal to the proceeds of such Debt (net of reasonable, *bona fide* direct transaction fees, costs and expenses incurred in connection with incurring such Debt) shall be paid by the Borrower (irrespective as to which Obligor has incurred the Debt) to the Agent no later than two (2) Business Days following receipt of such proceeds by an Obligor and shall be applied in permanent repayment of outstanding Obligations under the Term Facility until the Term Facility has been repaid in full.

(2) All repayments of the Term Facility under this Section 7.04 will be applied in inverse order of maturity against repayments of principal due under Section 7.02(1) and thereafter to amounts due under Section 7.02(2).

7.05 Mandatory Repayment on Dispositions

(1) If any Obligor makes Dispositions pursuant to clause (b) of the Permitted Dispositions definition or with the consent of the Majority Lenders, such Net Proceeds 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 of an Obligor within one hundred and eighty (180) days after the closing of the transaction under which such Disposition occurs. If following the one hundred and eighty (180) day period or upon the occurrence of an Event of Default no Obligor has reinvested such Net Proceeds in additional assets, such proceeds shall immediately be paid by the Borrower to the Agent (irrespective as to which Obligor received the Net Proceeds). Any Net Proceeds so paid to the Agent shall be applied in permanent repayment of outstanding Obligations under the Term Facility until the Term Facility has been repaid in full.

(2) All repayments of the Term Facility under this Section 7.05 will be applied in inverse order of maturity against repayments of principal due under Section 7.02(1) and thereafter to amounts due under Section 7.02(2).

7.06 Mandatory Repayments from Proceeds of Insurance

(1) Subject to there existing no Default or Event of Default, the Obligors may receive and retain proceeds of insurance in an amount up to \$500,000 in the aggregate in any Fiscal Year.

(2) If the Obligors receive proceeds of insurance (other than insurance relating to directors' and officers' liability, crime and litigation, environmental liability and business interruption (provided that proceeds of insurance relating to business interruption received are first applied to principal and interest due and owing hereunder)) in an amount greater than \$500,000 in the aggregate in any Fiscal Year, 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 under the Term Facility; provided that the Obligors may, if no Default or Event of Default exists, elect to retain such proceeds in order to pay for the replacement, repair or rebuilding of such asset and an Obligor replaces, repairs or rebuilds the asset to which such proceeds relate, within one

hundred eighty (180) days. If following such one hundred and eighty (180) day period or upon the occurrence of an Event of Default no Obligor has replaced, repaired or rebuilt the asset, such proceeds shall immediately be paid by the Borrower to the Agent and be applied in permanent repayment of outstanding Obligations under the Term Facility until the Term Facility has been repaid in full.

(3) 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.

(4) All repayments of the Term Facility under this Section 7.06 will be applied in inverse order of maturity against repayments of principal due under Section 7.02(1) and thereafter to amounts due under Section 7.02(2).

7.07 Cash Flow Sweep

(1) Not later than one hundred and twenty (120) days after the end of each Fiscal Year of the Borrower commencing with the Fiscal Year ending December 31, 2020, the Borrower will determine its Excess Cash Flow for such Fiscal Year based on its audited financial statements for such Fiscal Year and deliver to the Agent a detailed calculation of its Excess Cash Flow together with such audited financial statements.

(2) Once Excess Cash Flow has been determined in accordance with Section 7.07(1) and if the Borrower's Total Funded Debt to EBITDA Ratio as at the end of such Fiscal Year is greater than 3.00:1.0, an amount equal to fifty percent (50%) of such Excess Cash Flow shall be paid by the Borrower to the Agent within one hundred and twenty (120) days of the end of such Fiscal Year end and shall be applied by the Agent in permanent repayment of outstanding Obligations under the Term Facility until the Term Facility has been repaid in full. For certainty, if the Borrower's Total Funded Debt to EBITDA Ratio as at the end of such Fiscal Year is equal to or less than 3.00:1.00, no payment shall be required pursuant to Section 7.07(2).

(3) All repayments of the Term Facility under this Section 7.07 will be applied in inverse order of maturity against repayments of principal due under Section 7.02(1) and thereafter to amounts due under Section 7.02(2).

7.08 Excess Over the Maximum Amounts

If the Agent determines that on any day as a result of currency fluctuations the aggregate of (a) Advances in Canadian Dollars then outstanding under the Revolving Facility, and (b) the Equivalent Amount in Canadian Dollars of Advances in US Dollars then outstanding under the Revolving Facility on such day exceeds the Commitments then in effect in respect of the Revolving Facility, the Agent shall notify the Borrower that such an event has occurred, and the Borrower shall, within two (2) Business Days upon receipt of such notice, repay Advances under the Revolving Facility in an amount equal to such excess.

7.09 Payment of Breakage Costs etc.

In connection with each voluntary or mandatory repayment hereunder (i) in connection with LIBOR Advances which are repaid prior to the end of the applicable LIBOR

Interest Period (a) the Borrower shall pay to the Agent (for the account of each applicable Lender) all Breakage Costs, or (b) the Borrower shall deposit with the Agent cash in an amount equal to the amount due in respect to such LIBOR Advance at the end of the applicable LIBOR Interest Period; and (ii) in connection with Bankers' Acceptances, BA Equivalent Notes and 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 full face amount at maturity of such Bankers' Acceptance or BA Equivalent Note or the face amount of such Letters of Credit, as applicable, and shall concurrently deliver to the Agent a cash collateral agreement, supporting resolutions, certificates and opinions in form and substance satisfactory to the Lenders. Payments by the Borrower shall be applied first against outstanding Prime Rate Advances and US Base Rate Advances and thereafter against outstanding LIBOR Advances.

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 the Borrower's Canadian Account and the Borrower's US Account at the Agent's Account Branch and the Agent shall be entitled to debit from the Borrower's Canadian Account and the Borrower's US Account, as applicable, 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 (other than out of pocket expenses and indemnification amounts).

(2) The Borrower agrees that the Swingline Lender, in consultation with the Agent, shall be entitled to debit from the Borrower's Canadian Account and the Borrower's US Account, as applicable, such amounts as are from time to time required to be paid by the Borrower under the Swingline Facility, as and when such amounts are due. Without in any way limiting the rights of the Swingline Lender pursuant to the foregoing, unless otherwise specifically agreed between the Borrower, the Swingline Lender and the Agent, the Borrower hereby directs the Swingline Lender to debit the aforesaid accounts with such amounts as are from time to time required to be paid by the Borrower pursuant to the Swingline Facility.

(3) All payments (other than payments in connection with the Swingline Facility) 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 Account 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 12:00 noon (Toronto time) for value on the date when due, and shall be made in immediately available funds without set-off or counterclaim. All payments by the Borrower in connection with the Swingline Facility shall be made to the Swingline Lender at the Agent's Account Branch, for the account of the Swingline Lender, not later than 12:00 noon (Toronto time) for value on a date when due, and shall be made in immediately available funds without set-off or counterclaim.

(4) Unless the Agent shall have been notified by the Borrower not later than 12:00 noon (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.

(5) If any amount which has been received by the Agent not later than 12:00 noon (Toronto time) on any Business Day as provided above is not paid by the Agent to a Lender on such Business Day as required under this Agreement, the Agent shall immediately pay to such Lender on demand interest on such amount at the Interbank Reference Rate in respect of each day from and including the day such amount was required to be paid by the Agent to such Lender to the day such amount is so paid.

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 any Lender, to the Borrower, then, on such date, upon notice from the Agent or the applicable 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), (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 adversely affect its business in any material respect, 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 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 have a material adverse effect on the Loan Documents.

(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. 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 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 Effect. All actions, suits or proceeds pending or judgements existing as of the Second Closing Date that could reasonably be expected to result in a potential liability in excess of \$100,000 are set forth in Schedule 9.01(9) attached hereto.

(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 Second 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) 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.

(12) Description of Real Property Schedule 9.01(12) contains a description as of the Second Closing Date of (a) all real property owned by each Obligor (including municipal

addresses, legal description (to the extent available), 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).

(13) 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(13) lists all existing insurance policies maintained by the Obligors as of the Second Closing Date.

(14) Labour Relations As of the Second Closing Date: (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.

(15) Compliance with Laws No Obligor is in default under any Applicable Law (other than immaterial non-compliance) or any Applicable Order.

(16) 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.

(17) Corporate Structure The corporate structure of the Borrower and its Subsidiaries is, as at the Second Closing Date, as set out in Schedule 9.01(17), which Schedule contains:

- (a) *Shareholdings of the Obligors.* On the Second Closing Date (i) there are no Subsidiaries of the Parent, other than the Borrower, (ii) the Parent does not own or hold any shares in the capital of, or any other ownership interest in, any other Person other than the Borrower, and (iii) the Borrower does not own or hold any shares in the capital of, or any ownership interest in, any other Person.
- (b) *Share Capital of Obligors.* On the Second Closing Date, the authorized capital of each Subsidiary of the Borrower is as provided for in Schedule 9.01(17), of which the number of issued and outstanding shares and the beneficial owners thereof at such time is provided for in Schedule 9.01(17).
- (c) *Rights to Acquire Shares of Obligors.* No Person has 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 Parent) except as provided for in Schedule 9.01(17).

(18) Relevant Jurisdictions Schedule 9.01(18) identifies in respect of each Obligor as of the Second 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.

(19) 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 or industrial designs which have been either registered or in respect of which a registration application has been filed by it, as at the Second Closing Date, are listed on Schedule 9.01(19). 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 Effect.

(20) Material Contracts:

- (a) Schedule 9.01(20) (as amended from time to time and updated in accordance with Section 10.01(9)), accurately sets out all Material Contracts and Material Licences;
- (b) a true and complete certified 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.

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

(22) 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, as of the dates referred to therein and have been prepared in accordance with GAAP. All other material financial information (including, without limitation, budgets and projections) 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.

(23) No Material Adverse Effect Since the date of the Borrower's most recent annual audited financial statements and the Borrower's most recent 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, operations, results of operations or assets which constitutes or has, or could reasonably be expected to constitute, or cause, a Material Adverse Effect.

(24) Environmental (a) As of the Second Closing Date, no Obligor is subject to any civil or criminal proceeding or investigation relating to Requirements of Environmental Laws and

no Obligor is aware of any threatened proceeding or investigation relating to Requirements of Environmental Laws; (b) each Obligor has all permits, licences, registrations and other authorizations required by the Requirements of 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 Requirements of Environmental Laws (other than immaterial non-compliance); (d) as of the Second 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, except for any contamination that would not reasonably be expected to give rise to any material liability under Requirements of Environmental Laws or any contamination relating to underground storage tanks having been located on the real property on which the Obligors operations are situated; and (e) to the knowledge of the Borrower as of the Second 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 except for any contamination that would not reasonably be expected to give rise to any material liability under Requirements of Environmental Laws or any contamination relating to underground storage tanks having been located on the real property on which the Obligors operations are situated.

(25) 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 Second 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.

(26) Insolvency As at the Second Closing Date, no Obligor nor any of their predecessors where applicable (a) has committed any act of bankruptcy, (b) is insolvent, or 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.

(27) Non-Arm's Length Transactions All agreements, arrangement 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 Second Closing Date are set forth on Schedule 9.01(27).

(28) Debt There exists no Debt of an Obligor that is not Permitted Debt other than Debt to be repaid from the funds made available herein.

(29) 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 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 Parent and its Subsidiaries which are subject to any limitation on sale, pledge or other restriction hereunder.

(30) Investment Company It is not an "investment company" nor a company "controlled" by an "investment company" within the meaning of the *Investment Company Act of 1940*, as amended.

(31) ERISA With respect to each US Pension Plan and except as could not reasonably be expected to result in material liability to any Obligor, (i) it 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 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; (ii) it does not have any unfunded contingent liabilities with respect to any post-retirement benefits under a Welfare Plan, other than liability for continuation coverage described in Part 6 of Title I of ERISA or as required under US State law requirements for health continuation coverage; (iii) neither a Reportable Event nor a prohibited transaction has occurred and is continuing with respect to any US Pension Plan that could reasonably be expected to result in a material liability; (iv) no notice of intent to terminate a US Pension Plan has been filed nor has any US Pension Plan been terminated; (v) no notice has been received in connection with the PBGC's institution of proceedings to terminate, or appoint a trustee to administer, a US Pension Plan, nor has the PBGC instituted any such proceedings; (vi) neither it nor any member of its Controlled Group has completely or partially withdrawn from a Multiemployer Plan; and (vii) it 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 the present value of all benefits under each US Pension Plan does not exceed the fair market value of such US Pension Plan assets allocable to such benefits, as determined on the most recent valuation date of such US Pension Plan on the basis

of actuarial assumptions specified for funding purposes in such US Pension Plan's actuarial valuation report and in accordance with the provisions of ERISA by more than \$1,000,000.

(32) OFAC It is not in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC. 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.

(33) Accounts As of the Second Closing Date, set forth on Schedule 9.01(33) is a list of all accounts maintained by each Obligor as at such date.

(34) Full Disclosure All written information provided or to be provided to the Agent or the Lenders by or on behalf of the Borrower in connection with the Credit Facilities (and after giving effect to all supplements thereto) 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 (and after giving effect to all supplements thereto), to its knowledge, omits or will omit as of such time, a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading in any material way; provided that, with respect to projected financial information and pro forma financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed by the Borrower to be reasonable at the time of preparation.

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 could have, or be reasonably likely to result in, a Material Adverse Effect, 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 Parent 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; 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, privileges and franchises necessary or desirable in the

normal conduct of its business and to comply in all material respects with all Material Contracts, Material Licences and Requirements of Law (except where the failure to comply would have an immaterial impact on the Business).

(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.

(5) 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 or 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 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.

(6) Use of Credit Facilities Use the proceeds of the Credit Facilities as contemplated by Section 2.02.

(7) 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 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.

(8) 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 \$1,000,000 or (b) a Material Adverse Effect, and from time to time provide the Agent with all reasonable information requested by the Agent concerning the status of any such proceeding.

(9) 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 to have a Material Adverse Effect on any Obligor;
- (b) any default under any Debt of an Obligor in an amount in excess of \$500,000;

- (c) any termination prior to maturity of, or default (after giving effect to any grace period) under a Material Contract or any termination, lapse, rescission or default (after giving effect to any grace period) under a Material Licence;
- (d) any Material Adverse Effect;
- (e) any damage to or destruction of any property, real or personal, of any Obligor having a replacement cost in excess of \$500,000; or
- (f) any Default or Event of Default;

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

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

(10) ERISA Except as could not reasonably be expected to result in material liability to any Obligor, 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 an Encumbrance 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 or any Subsidiary 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 or any Subsidiary of any material liability, fine or penalty, and (v) any material increase in its contingent liability with respect to any post-retirement Welfare Plan benefit.

(11) Environmental Compliance Operate its business in compliance in all material respects with Requirements of Environmental Laws and 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 Requirements of 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 at its own cost and expense. 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 Requirements of 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 Requirements of Environmental Law in excess of \$500,000.

(12) 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, 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 Obligors meeting the requirements of Article 11.

(13) 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.

(14) Expenses Pay promptly (i) all reasonable and itemized fees and disbursements (including sales tax, goods and services tax and harmonised sales) incurred or paid by the Agent, its Affiliates and the Lenders 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 fees and disbursements of lawyers, auditors, consultants and accountants (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 out-of-pocket expenses incurred by the Agent, any Lender or the Issuing Lender, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of its 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, including all such out-of-pocket expenses incurred during any workout restructuring or negotiations in respect of such Advances or Letters of Credit.

(15) Pension Plans and US Pension Plans Maintain all Canadian Pension Plans and US Pension 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 liability to an Obligor.

(16) Employee Benefit and Welfare Plans Maintain all employee benefit and 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 liability to an Obligor.

(17) 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.

(18) Cash Management Maintain all cash management services (which, for certainty, includes all bank accounts) of the Obligors (other than US Obligors in the case of cash

management requirements outside of Canada) with a Lender. Notwithstanding the foregoing, the Borrower may maintain its account with National Bank of Canada until July 31, 2020.

(19) Additional Material Real Estate Assets In the event that following the Second Closing Date any Obligor acquires any owned real estate that is material to the operation of the Business or any Material Leased Property 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 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 (without limiting the requirements of Section 10.04(9); provided however that in respect of any new Material Leased Property (or any replacement lease for existing Material Leased Property), the Borrower shall be required to use commercially reasonable efforts for a period of 90 days from the date on which the applicable lease has been provided to the Agent to obtain a landlord consent agreement from the relevant landlord (along with a corresponding extended period for any filing, registration or recording against the Material Lease Property), such agreement to be in form and substance satisfactory to the Agent, acting reasonably.

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) Total Funded Debt to EBITDA Ratio The Parent, on a consolidated basis, will ensure that its Total Funded Debt to EBITDA Ratio, calculated in accordance with Section 10.02(3) as at the end of each Fiscal Quarter is at all times (i) during the Fiscal Quarters ending on or prior to September 30, 2021, not greater than 3:50:1.00, and (ii) thereafter, not greater than 3:25:1.00.

(2) Fixed Charge Coverage Ratio The Parent, on a consolidated basis, will ensure that its Fixed Charge Coverage Ratio, calculated in accordance with Section 10.02(3) as at the end of each Fiscal Quarter, is at all times not less than 1.25:1.00.

(3) Calculation of Financial Covenants The Total Funded Debt to EBITDA Ratio under Section 10.02(1) and the Fixed Charge Coverage Ratio under Section 10.02(2) shall be calculated on the basis of the International Financial Reporting Standards (IFRS) that were in effect on December 31, 2018, as issued by the International Accounting Standards Board (IASB) on such date.

10.03 Reporting Requirements

The Parent 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 Parent and each Subsidiary of the Parent 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) as soon as available and in any event within one hundred and twenty (120) days after the end of each of Fiscal Years of the Parent, cause to be prepared and delivered to the Agent, the annual audited consolidated financial statements of the Parent including, in each case and without limitation, balance sheet, statement of income and statement of cash flows for such Fiscal Year, a comparison to the budget set forth in the Annual Business Plan and the previous year and management discussion and analysis ("**MD&A**"), and a list of all Hedge Arrangements which, other than MD&A, shall be prepared in accordance with GAAP and certified by an officer of the Parent;

(2) as soon as available and in any event within 45 days of the end of each Fiscal Quarter of the Parent (other than the fourth Fiscal Quarter), cause to be prepared and delivered to the Agent as at the end of such Fiscal Quarter unaudited financial statements of the Parent and the Borrower prepared on a consolidated basis, 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);

(3) as soon as available, and in any event no later than 30 days after the end of each Fiscal Year of the Parent, a copy of the Annual Business Plan for the following Fiscal Year, such Annual Business Plan to be in reasonable detail prepared by the Parent;

(4) together with the financial statements referred to in (1) and (2) above, provide the Agent with a Compliance Certificate, which shall set forth the calculations supporting such statements in respect of Section 10.02 hereof; and

(5) such other financial and operating statements and reports as the Agent or any Lender (acting through the Agent) may reasonably request.

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 Parent 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 corporation into a jurisdiction outside of Canada or the United States, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure, liquidate, wind-up or dissolve itself, or permit any liquidation, winding-up or dissolution 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, and (B) an Obligor may change its capital structure in each case 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, in connection with such event including, if required, to obtain Security over any Equity Interests of the Borrower and any of the other Subsidiaries of the Parent arising therefrom, (iv) the Agent being provided with such customary legal opinions as it requires, acting reasonably, in connection therewith and (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.

(3) No Change of Name 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 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 (i) Investments permitted in accordance with the provisions of Sections 10.04(9), 10.04(14) and 10.04(16), (ii) Permitted Intercompany Debt, and (iii) Investments in Obligors.

(6) No Financial Assistance Give any Financial Assistance to any Person other than (i) the delivery of the Security, (ii) Financial Assistance in the form of Investments permitted pursuant to the provisions of Section 10.04(5), and (iii) Permitted Intercompany Debt.

(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) Acquisitions Make any Acquisitions unless consented to in writing by the Lenders.

(10) No Change to Year End Make any change to its Fiscal Year.

(11) No Change to Business Carry on any business other than the Business and any reasonably related businesses.

(12) Hedge Arrangements Enter into or permit to be outstanding at any time Hedge Arrangement unless (i) the Hedge Arrangement is not speculative, and (ii) the Hedge Arrangement is with a Lender or any Affiliate of a Lender.

(13) Location of Assets in Other Jurisdictions Except for any Property in transit in the ordinary course of business, acquire any Property outside of the jurisdictions identified in Schedule 9.01(18) or move any Property from one jurisdiction to another jurisdiction 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 Obligor has first given ten (10) days' prior written notice thereof to the Agent, and (b) the applicable Obligor 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.

(14) No Share Issuance Other than in the case of the Parent, issue any Equity Interests unless the Person to whom such Equity Interests are issued is an Obligor and then only if the additional Equity Interests so issued are concurrently and validly pledged to the Agent under the Security and all resolutions (corporate, shareholder or otherwise) required by the Agent, acting reasonably, in connection therewith are delivered to the Agent.

(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, any Province of Canada or any state of the United States of America; (b) all of the issued and outstanding capital of such Subsidiary is owned by an Obligor; (c) such new Subsidiary provides a legal, valid and enforceable guarantee in favour of the Agent for and on behalf of the Lenders and security in form and substance satisfactory to the Lenders; (d) all of the issued and outstanding shares of such new Subsidiary are pledged to the Agent and (e) all resolutions (corporate, shareholder or otherwise) required by the Agent, acting reasonably, in connection therewith, are delivered to the Agent, and in each case customary legal opinions are delivered by Borrower's Counsel to the Lenders, acting reasonably.

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

(18) Non-Arm's Length Transactions 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) Sale and Leaseback Enter into any arrangement with any Person providing for the leasing by any Obligor, as lessee, of Property which has been or is to be sold or transferred by such Obligor to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such Property or the lease obligation of any Obligor.

(20) US Bank Accounts Open or maintain any bank accounts in the United States unless the Lenders have received a deposit account control agreement in form and substance satisfactory to the Agent.

(21) Auditor Change its Auditor unless any replacement is a nationally recognized accounting firm.

(22) Capital Expenditures Make or commit to make Capital Expenditures (other than Capital Expenditures funded from proceeds of Equity Issuances or through a Capital Lease) in any Fiscal Year in excess of, in the aggregate, 115% of the budgeted amount provided for such Capital Expenditures in the Annual Business Plan in respect of such Fiscal Year. For certainty and the avoidance of doubt, the Annual Business Plan is that which is required to be delivered pursuant to Section 10.03(1) of this Agreement.

10.05 Quebec Collateral

The Borrower shall at no time own Property in the Province of Quebec that has an aggregate fair market value in excess of \$500,000. The Borrower covenants and agrees in favour of the Agent that it shall, should there exist an Event of Default and on request of the Agent, execute such security documents as may be reasonably required by the Agent to ensure that the Agent on behalf of the Lenders obtains a valid and perfected Encumbrance over all of the Borrower's Property located in the Province of Quebec. Any such security provided to the Agent shall be accompanied by delivery to the Agent of customary officer's certificates and legal opinions from Borrower's Counsel.

ARTICLE 11 - SECURITY

11.01 Form of Security

(1) Security Delivered on the Closing Date On the Closing Date, as continuing collateral security for the payment and satisfaction of all Obligations of the Obligors to the Agent and the Lenders, the Borrower delivered or cause to be delivered to the Agent's predecessor the following Security, each of which (other than items (a), (c) and (d)) continues to be in full force and effect and enforceable by the Agent as of the Second Closing Date and has not been released or discharged:

- (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 the present and future personal property of the Borrower;
- (b) a deed of hypothec to secure payment of debentures (the "**Deed of Hypothec**") executed between the Borrower and the Agent, acting in its capacity as *fondé de pouvoir*, constituting a first-priority Encumbrance (subject only to Permitted Encumbrances) on all of the present and future personal property of the Borrower;
- (c) a debenture issued by the Borrower in favour of the Agent pursuant to the Deed of Hypothec (the "**Debenture**");
- (d) a pledge of debentures agreement between the Borrower and the Agent under the terms whereof the Debenture is pledged to the Agent and the Lenders as security for the Obligations;
- (e) a guarantee from the Parent guaranteeing the due payment and performance to the Agent and the Lenders of all present and future Obligations of the Borrower

to the Agent and the Lenders or any one or more of them under the Loan Documents;

- (f) a general security agreement from the Parent in favour of the Agent constituting a first priority Encumbrance (subject only to Permitted Encumbrances) on all of the present and future personal property of the Parent; and
- (g) a securities pledge agreement from the Parent in favour of the Agent constituting a first-priority Encumbrance (subject to Permitted Encumbrances) on all securities that it owns in the Borrower.

11.02 Insurance

Each Obligor or the appropriate Obligor if blanket insurance policies are held, will cause the Agent to be shown as a 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.

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 two (2) Business Days; or

- (c) if the Borrower fails to observe or perform any of the financial covenants in Section 10.02; or
- (d) if the Borrower fails to observe or perform any of the covenants contained in Section 10.04; 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 earlier of (i) the date such Obligor is aware of such default, and (ii) the date of notice of such non-compliance being provided in writing by the Agent; or
- (f) if any representation or warranty made by any Obligor 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 in any material respect on and as of the date thereof; or
- (g) if any Obligor ceases to carry on business generally or admits its inability or fails to pay its debts generally; or
- (h) 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 \$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 \$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) or 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 \$500,000 to become due prior to its stated maturity date; or
- (i) if any Obligor denies its obligations under any Loan Document or claims any of the Loan Documents to be invalid or withdrawn in whole or in part; or
- (j) any of the Loan Documents or any material provision of any of them becomes unenforceable, unlawful or is changed by virtue of legislation or by a court, statutory board or commission, and if any Obligor does not, within ten (10) Business Days of receipt of notice of such Loan Document or material provision becoming unenforceable, unlawful or being changed and being provided with any required new agreement or amendment for execution, replace such Loan Document with a new agreement that is in form and substance satisfactory to the Lenders or amend such Loan Document to the satisfaction of the Lenders; or
- (k) if a decree or order of a court of competent jurisdiction is entered adjudging an Obligor a bankrupt or insolvent or approving a petition seeking the winding-up of an Obligor 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 or ordering the winding up or liquidation of its affairs; or

- (l) if any Obligor 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)* or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act (Canada)*, the *Winding-Up and Restructuring Act (Canada)* 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
- (m) if any proceeding or filing shall be instituted or made against any Obligor 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 of debtors (including, without limitation, the *Bankruptcy and Insolvency Act (Canada)*, the *Companies Creditors Arrangement Act (Canada)* and the *Winding-Up and Restructuring Act (Canada)*), 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
- (n) if an Encumbrancer takes possession by appointment of a receiver, receiver and manager, or otherwise of any material portion of the Property of any Obligor; or
- (o) if a final judgment, 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 \$1,000,000 (individually or in the aggregate for all Obligors) and such judgment, execution, writ of seizure and sale, sequestration or decree shall not have been and remain vacated, satisfied, bonded, discharged or stayed within 30 days; or
- (p) 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 five (5) Business Days of receipt of notice thereof from the Agent; or

- (q) if any Obligor (other than the Borrower) denies its obligations pursuant to any guarantee delivered in favour of the Agent; or
- (r) if a Change of Control shall occur; or
- (s) the occurrence of a Material Adverse Effect; or
- (t) the institution of any steps by any Obligor or any applicable regulatory authority to terminate a Canadian Pension Plan if, as a result of such termination, any such Obligor may be required to make an additional contribution to such Canadian Pension Plan or to incur an additional liability or obligation to such Canadian Pension Plan, equal to or in excess of \$1,000,000; or
- (u) any of the following events shall occur or exist under ERISA with respect to any US Obligor or any member of a Controlled Group: (i) any Reportable Event shall occur; (ii) complete or partial withdrawal from any Multiemployer Plan shall occur; (iii) a notice of intent to terminate a US Pension Plan shall be filed, or a US Pension Plan shall be terminated; or (v) the PBGC shall have issued notice to a US Obligor with respect to its intent to institute proceedings to terminate a US Pension Plan, or the PBGC shall institute such proceedings; and in each case above, such event or condition (together with all other events or conditions identified above), could subject such US Obligor to any tax, penalty or other liability which would reasonably be expected to result in an additional liability or obligation in excess of \$1,000,000; or
- (v) should any Material Contract cease to be a legal, binding and enforceable obligation of the applicable Obligor or should an Obligor be in default of its obligations under a Material Contract; or
- (w) if any report of the Auditor with respect to the Parent's audited financial statement or the Borrower's audited financial statement (if the Borrower is ever required to provide audited financial statements under the Credit Agreement) contains any going concern qualification which is unacceptable to the Lenders acting reasonably.

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, at the option of the Agent, 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(k) through 12.01(m) 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 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 Bankers' Acceptances and Letters of Credit

If the Borrower does not pay to the Agent for the account of the Lenders the principal amount of any unmatured Bankers' Acceptance or BA Equivalent Note or 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 principal amount of all unmatured Bankers' Acceptances or BA Equivalent Notes and 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 Bankers' Acceptances or BA Equivalent Notes as they mature and 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

The occurrence of an Event of Default shall relieve the Lenders of all obligations to provide any further Advances hereunder whether by Rollover, Conversion or otherwise, by way of Bankers' Acceptances (and BA Equivalent Notes), LIBOR Advances or Letters of Credit; provided that the foregoing shall not prevent the Lenders from disbursing money hereunder in reduction of then outstanding Bankers' Acceptances and 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

12.12 **Consultant**

The Borrower agrees that, at any time after the occurrence of and during the continuance of an Event of Default and upon written request delivered by the Agent, it shall appoint a financial consultant (hereinafter referred to as the "**Consultant**") for the purposes of reviewing the operations of the Obligors, assessing the value of the Property subject to the Security and advising the Lenders from time to time thereafter. The terms of the Consultant's scope of duties, including appropriate covenants regarding confidentiality, shall be settled by the Agent and the Borrower, each acting reasonably, provided that such terms may be settled by the Agent and the Lenders if agreement with the Borrower is not reached within ten (10) Business Days of the date of the Agent's request. The Borrower consents, and shall cause each Obligor to consent, at all times to a free exchange of information or the particulars of any such information exchanged at any time.

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 "**Indemnitee**" against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee 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 or (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, nor shall it be available in respect of matters specifically addressed in Sections 15.01 and 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 liabilities of the Lenders.

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, except to the extent that such damages 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.

13.04 Payments

All amounts due under this Section shall be payable promptly after demand therefor. A certificate of the Agent or a Lender setting forth the amount or amounts owing to the Agent, Lender or a sub-agent or Related Party, as the case may be, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error.

ARTICLE 14 - THE AGENT AND THE LENDERS

14.01 Appointment and Authority

Each of the Lenders and the Issuing Lender hereby irrevocably appoints Royal Bank of Canada 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 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 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 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 in consultation with the Borrower, 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, in consultation with the Borrower, 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 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.

14.08 Non-Reliance on 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:

- (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.

(2) Notwithstanding the foregoing, any such distribution that would otherwise be made pursuant to Section 14.11(1)(c) or (d) on account of any outstanding Bankers' Acceptances or BA Equivalent Notes will be set aside in a separate collateral account for the primary benefit of the Lenders who have issued such Bankers' Acceptances or BA Equivalent Notes (and for the secondary benefit of the Lenders in respect of other Obligations) until and to the extent that such Obligations become matured and not contingent, at which time such distributions will be made to the Lenders for whose primary benefit such amounts are held, at which time such application will be made in accordance with Section 14.11(1)(c) or (d).

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 13 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, 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(2) all of the Lenders (which instrument in writing, for greater certainty, may be delivered by facsimile).

(2) Notwithstanding subsection 14.14(1), without the consent of all the Lenders 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 Credit Facilities, reduce the fees payable, reduce interest rates or other amounts payable with respect to the Credit Facilities, extend any date fixed for payment of principal, interest or other amounts payable relating to the Credit Facilities, extend the repayment dates of the Credit Facilities or change the definition of Majority Lenders or Applicable Margin;
- (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 a material part of the Property subject thereto otherwise than pursuant to the terms hereof or thereof; or
- (d) amend this Section 14.14(2).

(3) 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(2)) 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.

(4) In the event that 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(2), 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; then, with respect to each Non Consenting 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 and Swingline Facility Commitment, if any, 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 Non Consenting 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 and Swingline Facility Commitment, if any, 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. Should there not be Replacement Lenders available to take an assignment of the outstanding Advances and the Revolving Facility Commitment and Swingline Facility Commitment, if any, of the Non Consenting Lender, the Borrower shall be entitled to repay in full the Non Consenting Lender and terminate its Commitments from proceeds derived exclusively from the issuance of Equity Interests.

(5) The Agent is authorized, without further action by the Lenders, to release the Security and execute related documents in connection with a Permitted Disposition to the extent relating to the property subject to such disposition.

14.15 Provisions for Benefit of Lenders Only

The provisions of this Article 13, other than this Section 14.15, Section 14.09 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 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 Credit Facilities, 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, in accordance with Section 13.01 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 Credit Facilities 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 \$3,500 with respect to each such assignment in accordance with Section 16.02(7).

14.18 Rights of Agent

(1) In administering the Credit Facilities, 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.

(2) Neither 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 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 judgement 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 Agent and due to a Non-Funding Lender pursuant to this Agreement which amounts shall be used by 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) No Non-Funding Lender shall be entitled to receive any fees for any period during which such Lender is a Non-Funding Lender, and the Borrower shall not be required to pay any fee that otherwise would have been required to be paid to that Non-Funding Lender pursuant to this Agreement.

(5) 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.

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 Lien 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 Lenders: Presumption by 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 the 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 Borrower: Presumptions by 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.

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 Indemnified Taxes or Other Taxes covered by Section 15.02 and the imposition, or any change in the rate, of any Excluded Tax payable by such Lender, 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 making or maintaining any Advance (or of maintaining its obligation to make any such Advance), or to increase the cost to such Lender or the Issuing Lender of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Issuing Lender hereunder (whether of principal, interest or any other amount), then upon request of such Lender from time to time, 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.

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 in its sole and absolute discretion, 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 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 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 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.

15.02 Taxes

(1) Payments Subject to Taxes If any Obligor, the Agent, any Lender or Issuing Lender is required by Applicable Law to deduct or withhold 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 (i) the sum payable shall be increased by the applicable Obligor when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and withholdings 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 or withholdings been required, (ii) the applicable Obligor shall make any such deductions or withholdings required to be made by it under Applicable Law and (iii) the applicable 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.

(3) Indemnification by the Borrower The Borrower shall indemnify the Agent, each Lender and the Issuing Lender, within 10 days after written demand therefor (specifying in reasonable detail the nature and the amount of the Indemnified Taxes), for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) imposed on 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, 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. Treatment of Certain Refunds and Tax Reductions If the Agent, any Lender or the Issuing Lender determines, 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 or that, because of the payment of such Indemnified Taxes, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall pay to the Borrower or Obligor, as applicable, an amount equal to such refund or reduction (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 or reduction), net of all out-of-pocket expenses of the Agent or such Lender, as the case may be, and without interest (other than any net after-Tax interest paid by the relevant Governmental Authority with respect to such refund). The Borrower or Obligor as applicable, upon the request of the Agent or such Lender, agrees to repay the amount paid over to the Borrower or Obligor (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 or reduction to such Governmental Authority. 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 or reduction.

(5) Status of Lenders To the extent that withholdings apply to any payment to be made to a Lender, any 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. 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. Each Lender shall, from time to time after the initial delivery by such Lender of the forms described above, 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.

(6) 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 (6).

(7) 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 any Obligor to pay any additional amount or indemnification payment to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 15.02, then such Lender shall use reasonable efforts to 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 in its sole discretion, 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 materially 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 any Obligor is required to pay any additional amount or indemnification payment 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, if any FATCA withholding tax is imposed on any payment to a Lender under or in connection with this Agreement (whether the payment is made directly or through another financial institution) 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), 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(7);
- (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 or an Affiliate of a Lender or an Approved Fund with respect 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 \$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 of a Revolving Facility Commitment must be approved by the Swingline Lender;

(5) any assignment must be approved by the Agent (such approval not to be unreasonably withheld or delayed);

(6) any assignment must be consented to by the Borrower (such consent not to be unreasonably withheld or delayed) unless (A) the proposed assignee is, in the case of the Revolving Facility, itself already a Lender with the same type of Commitment and in the case of the Term Facility, is itself already a Lender, an Affiliate of the Lender, or (B) an Event of Default has occurred and is continuing; and

(7) 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 specified elsewhere in this Agreement and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Agent an Administrative Questionnaire.

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 with respect to 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. Each Eligible Assignee shall be entitled to the same (but not

greater) benefits of Article 15 as the assigning Lender had at the time the assigning Lender originally became a Lender under this Agreement. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 16.04. 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) (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 (ii) 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 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 Judgement 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 "**Judgement 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 "**Judgement 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 Judgement 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 Judgement 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 Judgement Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgement 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 Judgement 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 Judgement 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**

(1) The Original Credit Agreement, as amended and restated by this Agreement, and the other Loan Documents constitute the whole and entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations, written or oral, in respect thereof

(2) This Agreement is an amendment and restatement of the Original Credit Agreement. This Agreement does not discharge or constitute a novation of any debt or obligation contained in the Original Credit Agreement or in any other Loan Document. For greater certainty, the Parent and the Borrower agree that all Obligations outstanding under the Original Credit Agreement constitute Obligations outstanding under this Agreement.

(3) The Borrower hereby confirms and agrees that the Security Documents executed by it continue secure all of the Obligations of the Borrower under or in connection with the Original Credit Agreement as amended and restated by this Agreement and the other Loan Documents to which it is a party and that such Security Documents remain in full force and effect.

(4) The Parent confirms and agrees that (x) the guarantee previously executed and delivered by it pursuant to Section 11.01 of the Original Credit Agreement continues to guarantee the due and punctual payment to the Lenders and the Agent of all present and future Obligations of the Borrower to the Lenders and the Agent or any of them arising under or in connection with the Original Credit Agreement as amended and restated by this Agreement and the other Loan Documents to which the Borrower is a party in accordance with the terms contained therein and that such guarantee remains in full force and effect, and (y) the Security Documents executed by it continue to secure all of the Obligations of the Parent under or in connection with the Loan Documents to which it is a party and that such Security Documents remain in full force and effect.

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 and each other Loan Document may be executed in one or more counterparts (and by different parties hereto in different counterparts), each of which shall be deemed an original, but all of this Agreement or such other Loan Document, in each case, together shall constitute one and the same instrument. Delivery by fax or other electronic transmission of an executed counterpart of a signature page to this Agreement and each other Loan Document shall be effective as delivery of an original executed counterpart of this Agreement and such other Loan Document. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement or any other Loan Document 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, to the extent and as provided for in any applicable law, including, without limitation, as in provided Parts 2 and 3 of the Personal Information Protection and Electronic Documents Act (Canada), the Electronic Commerce Act, 2000 (Ontario) or the Electronic Transactions Act (British Columbia) or the Electronic Transactions Act (Alberta). The Agent may, in its discretion, require that any such documents and signatures executed electronically or delivered by fax or other electronic transmission be confirmed by a manually-signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any document or signature executed electronically or delivered by fax or other electronic transmission. 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 of Assignments The words "execution", "signed", "signature", and words of like import in any 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 , to the extent and as provided for in any Applicable Law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act, 2000* (Ontario) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

(3) Electronic Imaging The parties hereto agree that, at any time, the Agent may convert paper records of this Agreement, the other Loan Documents and all other

documentation delivered to the Agent (each, a “**Paper Record**”) into electronic images (each, an “**Electronic Image**”) as part of the Agent’s normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

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 (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), if 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 credit facilities established herein to 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 Hypothecary Representative

For greater certainty and without limiting the power of the Agent hereunder or under any other Loan Document, the Agent and each Lender hereby appoints and authorizes Royal Bank of Canada to act as hypothecary representative within the meaning of Article 2692 of the *Civil Code of Quebec* (in such capacity, the "**Hypothecary Representative**") of the Agent and the Lenders for the purposes of holding any security granted by any Obligor pursuant to the laws of the Province of Quebec and to exercise such rights and duties as are conferred upon the Hypothecary Representative thereunder and under applicable laws (with the power to delegate any such rights and duties as appropriate). Royal, the Agent and each of the Lenders hereby confirms and agrees to such appointment and each Person who is or becomes the Agent or a Lender hereunder (including by its execution of an assignment and assumption agreement) shall be deemed to have consented to and ratified the foregoing appointment of the Hypothecary Representative and to have ratified all actions taken by the Hypothecary Representative prior to such date. For greater certainty, the Hypothecary Representative shall have the same rights, powers, immunities, indemnities and exclusions from liability as are prescribed in favour of the Agent in this Agreement, which shall apply mutadis mutandis. In the event of the resignation and appointment of a successor Agent (which shall include its resignation as Hypothecary Representative), such successor Agent shall also act as the Hypothecary Representative unless and until a successor hypothecary representative is otherwise appointed. The substitution of the Agent pursuant to the provisions of Section 14.07 also constitutes substitution of the Hypothecary Representative.

17.17 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 the termination of the Commitments and any Hedge Arrangements.

17.18 Anti-Money Laundering Legislation

(1) The Borrower acknowledge that, pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) 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 the Borrower, the Guarantors, their directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Borrower and the Guarantors, 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.

(2) The Borrower acknowledge and agree that pursuant to the provisions of the *USA Patriot Act* (Title III of the Pub. L. 107-56) signed into law October 26, 2001 (the "*Patriot Act*"), the Agent and any Lender may be required to obtain, verify and record information with respect to the US Obligors and the Borrower hereby agrees to cooperate with the Agent and each Lender and provide them with all information that may be required in order to fulfil their obligations under the Patriot Act. Without limiting the generality of the foregoing, the Borrower agrees to use commercially reasonable efforts to obtain the consent of any of their respective officers, directors and employees whose consent to the disclosure of any such information is required under applicable privacy legislation in Canada.

(3) Each of the Lenders agrees that the Agent has no obligation to ascertain the identity of the Borrower or the Guarantors or any authorized signatories of the Borrower or a Guarantor on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from the Borrower or any Guarantor or any such authorized signatory in doing so.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

BORROWER:

Address:

55 Commerce Valley Dr. W
Suite 800
Thornhill, ON L3T 7V9

Attention: Legal Department

Email: legal@terago.ca

TERAGO NETWORKS INC.

by (signed) "Tony Ciciretto"
Name: Tony Ciciretto
Title: President & CEO

Address:

55 Commerce Valley Dr. W
Suite 800
Thornhill, ON L3T 7V9

Attention: Legal Department

Email: legal@terago.ca

TERAGO INC.

by (signed) "Tony Ciciretto"
Name: Tony Ciciretto
Title: President & CEO

with a copy to:

Norton Rose Fulbright Canada LLP
200 Bay Street, Royal Bank Plaza
South Tower, Suite 3800, P.O. Box 84
Toronto, Ontario M5J 2Z4

Attention: C. Nicole Sigouin

Facsimile: (416) 216-3930

AGENT:

Address:

For purposes of all notices of utilization, conversion, renewal or repayment and the delivery of the financial information of the Credit Agreement:

Royal Bank of Canada
20 King Street West, 4th Floor
Toronto, ON M5H 1C4

Attention: Manager, Agency Services

E-mail: rbcmagnt@rbccm.com

ROYAL BANK OF CANADA, as Agent

by (signed) "Helena Sadowski"
Name: Helena Sadowski
Title: Manager, Agency

Name:
Title:

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

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, ON, M5V 3J7

Attention: Joel Scoler

Facsimile (416) 863-0871

LENDER:

Address:

Royal Bank of Canada
200 Bay Street, Royal Bank Plaza
4th Floor, North Tower
Toronto, ON M5J 2W7

Attention: Director, Corporate Client
Group

Address:

The Toronto-Dominion Bank
66 Wellington St. W., 9th Floor
Toronto, ON M5K 1A2

**ROYAL BANK OF CANADA, as a
Lender**

by (signed) "Andra Bosneaga"
Name: Andra Bosneaga
Title: Vice-President

Name:
Title:

**THE TORONTO-DOMINION BANK, as a
Lender**

by (signed) "Mathew Hendel"
Name: Mathew Hendel
Title: Managing Director

(signed) "Peter Chudak"
Name: Peter Chudak
Title: Vice President

SCHEDULE A

LENDERS AND COMMITMENTS

| <u>Lender</u> | <u>Revolving Facility</u> | <u>Term Facility</u> | <u>Total Commitment</u> |
|---------------------------|---------------------------|----------------------|-------------------------|
| Royal Bank of Canada | \$● ¹ | \$● ¹ | \$● ¹ |
| The Toronto-Dominion Bank | \$● ¹ | \$● ¹ | \$● ¹ |
| | \$5,000,000 | \$30,000,000 | \$35,000,000 |

¹Amount intentionally omitted.

SCHEDULE B

NOTICE OF REQUEST FOR ADVANCE

TO: **ROYAL BANK OF CANADA**, as Agent
200 Bay Street
Toronto, ON

Attention: Syndication
E-mail: rbcmagnt@rbc.com

FROM: **TERAGO NETWORKS INC.** (the “Borrower”)

DATE: [■]

1. This Notice of Request for Advance is delivered to you, as Agent, pursuant to the amended and restated credit agreement made as of June 30, 2020, between the Borrower, the Agent and the Lenders and other financial institutions specified therein (as amended, supplemented, restated or replaced from time to time, the “**Credit Agreement**”). 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, as the Borrower, hereby requests **[Advance] [Conversion] [Rollover]** as follows:

(a) Date of **[Advance] [Conversion] [Rollover]**: _____

(b) The applicable Credit Facility under which the proposed **[Advance] [Conversion] [Rollover]** is requested and the aggregate amount of the proposed **[Advance] [Conversion] [Rollover]** are as follows:

Revolving Facility Amount Cdn.\$ _____

Revolving Facility Amount US\$ _____

Term Facility Amount Cdn.\$ _____

(c) The type and Amount of the proposed **[Advance] [Conversion] [Rollover]** are as follows (check appropriate boxes):

Amount

() **Prime Rate Advance:** Cdn.\$ _____

() **US Base Rate Advance:** US\$ _____

() **Bankers' Acceptances (BA Equivalent Notes):**

| | <u>Amount</u> | <u>Term in Months</u> | <u>Rollover Amount</u> |
|--------|---------------|-----------------------|------------------------|
| Cdn.\$ | _____ | _____ | Cdn.\$ _____ |
| | _____ | _____ | _____ |
| | _____ | _____ | _____ |

() **LIBOR Loan:**

| | <u>Amount</u> | <u>Term in Months</u> | <u>Rollover Amount</u> |
|------|---------------|-----------------------|------------------------|
| US\$ | _____ | _____ | US\$ _____ |
| | _____ | _____ | _____ |
| | _____ | _____ | _____ |

() **Letter of Credit:**

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

Total Cdn.\$ _____

Total US\$ _____

If Rollover or Conversion of another Advance, provide details of other Advance:

(d) Type: _____

(e) Amount: _____

(f) Maturity Date: _____

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

(a) all of the representations and warranties set forth in Article 9 of the Credit Agreement, other than those which by their terms are made only as of a specific date are true and correct as at the date hereof;

(b) as of the date hereof, no Material Adverse Effect has occurred or exists;

(c) no Default or Event of Default has occurred and is continuing nor will any such event occur as a result of the aforementioned Advances; and

- (d) all terms and conditions precedent to an Advance contained in Section 3.01 and Section 3.02 of the Credit Agreement have been satisfied.

TERAGO NETWORKS INC.

Per: _____
Name:
Title:

SCHEDULE C

REPAYMENT NOTICE

TO: **ROYAL BANK OF CANADA**, as Agent
200 Bay Street
Toronto, ON

Attention: Syndication
E-mail: rbcmagnt@rbc.com

FROM: **TERAGO NETWORKS INC.** (the “Borrower”)

DATE: [■]

1. This notice of request for repayment is delivered to you, as Agent, pursuant to the amended and restated credit agreement made as of June 30, 2020 (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: _____

TERAGO NETWORKS INC.

Per: _____
Name:
Title:

SCHEDULE D

COMPLIANCE CERTIFICATE

TO: **ROYAL BANK OF CANADA**, as Agent
200 Bay Street
Toronto, ON

Attention: Syndication
E-mail: rbcmagnt@rbc.com

FROM: **TERAGO NETWORKS INC.** (the “**Borrower**”)

RE: Amended and restated credit agreement as of June 30, 2020 (as amended, modified, revised, restated or replaced from time to time, the “**Credit Agreement**”), made between the Borrower, the Agent and the Lenders (as defined therein)

DATE: [■]

The undersigned, the ■ of **TERAGO NETWORKS INC.**, the general partner 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 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. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.
2. I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and 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. This Certificate is delivered for the fiscal period ended ■ [specify Fiscal Quarter or Fiscal Year] (the “**Computation Period**”).
4. The representations and warranties contained in each of the Loan Documents 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 _____.
5. 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.]

6. The financial statements attached hereto as Annex I for the Computation Period fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP **[,subject to usual year-end adjustments and the absence of full note and deferred tax disclosure] [NTD: Carve-out is only applicable to quarterly financial statements].**
7. As of ■ (the “Computation Date”):
- (a) The Total Funded Debt to EBITDA Ratio was ■:1, calculated as provided for in the spreadsheet attached hereto as Annex II. Annex II includes a breakdown of the calculation of EBITDA including, for certainty, all add backs relating to severance costs, restructuring costs and asset impairment charges.
- (b) The Fixed Charge Coverage Ratio was ●:1, calculated as provided for in the spreadsheet attached hereto as Annex III.
- The minimum Fixed Charge Coverage Ratio permitted pursuant to Section 10.02(2) of the Credit Agreement on the Computation Date was 1.25:1.0.
- (c) the amount of Excess Cash Flow for _____ Fiscal Year is \$_____, the calculations of which are attached hereto as Annex IV.
- (d) the amount of Excess Cash Flow for the _____ Fiscal Year is \$_____ and the amount required to be paid by the Borrower to the Agent in accordance with Section 7.08 of the Credit Agreement is \$_____, the calculations of which are attached hereto as Annex IV.
8. For the Computation Date, the aggregate outstanding principal amount of Capital Leases and Purchase Money Security Interests was \$_____.
9. For the Fiscal Quarter/Year ended _____, the aggregate fair market value of the assets Disposed of pursuant to clause (e) of the definition of “Permitted Dispositions” is \$_____.
10. For the Fiscal Quarter/Year ended _____, Capital Expenditures were \$_____. Detailed calculations of this amount are attached hereto on Annex V.
11. Attached hereto as Annex VI is a list of all outstanding Hedge Arrangements as of the Computation Date.
12. Attached hereto as Annex VII is notice of: (a) any new Material Contract entered into or receipt of a Material License or (b) any material change in, or material amendment to, any Material Contract or termination of a Material Licence, in each case during the previous Fiscal Quarter.

By: _____
Name:
Title:

ANNEX I TO COMPLIANCE CERTIFICATE

FINANCIAL STATEMENTS

[See Attached]

ANNEX II TO COMPLIANCE CERTIFICATE
TOTAL FUNDED DEBT TO EBITDA RATIO CALCULATIONS

ANNEX III TO COMPLIANCE CERTIFICATE
FIXED CHARGE COVERAGE RATIO

ANNEX IV TO COMPLIANCE CERTIFICATE
EXCESS CASH FLOW CALCULATIONS

[See Attached]

ANNEX V TO COMPLIANCE CERTIFICATE

CAPITAL EXPENDITURES

[See Attached]

ANNEX VI TO COMPLIANCE CERTIFICATE
OUTSTANDING HEDGE ARRANGEMENTS

[See Attached]

ANNEX VII TO COMPLIANCE CERTIFICATE
MATERIAL CONTRACT AND MATERIAL LICENCE

[See Attached]

SCHEDULE E

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 Administrative 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: _____
[and is an Affiliate/Approved Fund of [*identify Lender*]¹]
- iii) Borrower: **TERAGO NETWORKS INC.** (the "Borrower")
- iv) Administrative Agent: Royal Bank of Canada, as Administrative Agent under the Credit Agreement
- v) Credit Agreement: Amended and restated credit agreement as of June 30, 2020, between the Borrower, the Lenders party thereto, Royal Bank of Canada, as Administrative Agent, and the other agents party thereto.

¹ Select as applicable.

vi) Assigned Interest:

| Facility Assigned ² | Aggregate Amount of Commitment / Loans for all Lenders ³ | Amount of Commitment / Loans Assigned ³ | Percentage Assigned of Commitment / Loans ⁴ | CUSIP Number |
|--------------------------------|---|--|--|--------------|
| | \$ | \$ | % | |
| | \$ | \$ | % | |
| | \$ | \$ | % | |

vii) [Trade Date: _____]⁵

² Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Credit Commitment," Term Loan Commitment," etc.)

³ Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

⁴ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

⁵ 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 ADMINISTRATIVE 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:

| |
|--|
| <p>ASSIGNOR [NAME OF ASSIGNOR]</p> <p>By: _____ Title: _____</p> |
| <p>ASSIGNEE [NAME OF ASSIGNEE]</p> <p>By: _____ Title: _____</p> |

| |
|---|
| <p>[Consented to and]¹ Accepted: ROYAL BANK OF CANADA, as Administrative Agent</p> <p>By: _____ Title: _____</p> |
| <p>[Consented to:]² [NAME OF RELEVANT PARTY]</p> <p>By: _____ Title: _____</p> |

¹ To be added only if the consent of the Administrative 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.

[Amended and restated credit agreement as of June 30, 2020 between **TERAGO NETWORKS INC.**, as the Borrower, Royal Bank of Canada, as Administrative 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 Administrative 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 Administrative 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 Administrative 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 F

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

- *[details of outstanding litigation claim intentionally omitted]*

| OBLIGOR | ADDRESS | LANDLORD | PROPERTY USE | RENTABLE AREA sq.ft. | TERM YRS | EXPIRY DATE | OPTION TO RENEW/NOTES |
|----------------------|----------------|----------------|----------------|----------------------|----------------|----------------|-----------------------|
| TeraGo Networks Inc. | ● ¹ | ● ² | ● ³ | ● ⁴ | ● ⁵ | ● ⁶ | ● ⁷ |
| TeraGo Networks Inc. | ● ¹ | ● ² | ● ³ | ● ⁴ | ● ⁵ | ● ⁶ | ● ⁷ |
| TeraGo Networks Inc. | ● ¹ | ● ² | ● ³ | ● ⁴ | ● ⁵ | ● ⁶ | ● ⁷ |
| TeraGo Networks Inc. | ● ¹ | ● ² | ● ³ | ● ⁴ | ● ⁵ | ● ⁶ | ● ⁷ |
| TeraGo Networks Inc. | ● ¹ | ● ² | ● ³ | ● ⁴ | ● ⁵ | ● ⁶ | ● ⁷ |

¹Municipal address intentionally omitted.

²Name of landlord intentionally omitted.

³Property use intentionally omitted.

⁴Rentable area square footage intentionally omitted.

⁵Lease term intentionally omitted.

⁶Expiry date intentionally omitted.

⁷Renewal option intentionally omitted.

Rooftop Licence Locations

● [list of rooftop licence locations intentionally omitted].

Schedule 9.01(13)
Insurance Policies

- *[details of insurance coverage, insurer and policy numbers intentionally omitted]*

**Schedule 9.01(17)
Corporate Structure**

| Entity | Shareholder (% of Ownership) | Number and Class of Shares Issued and Outstanding |
|--------------------------------|---|--|
| TeraGo Inc. (Parent) | Is a public company whose Common Shares are publicly traded on the Toronto Stock Exchange (TGO) | 16,684,221 Common Shares |
| TeraGo Network Inc. (Borrower) | TeraGo Inc. (100%) | 1,789,005 Common Shares |

The Parent has the following three security-based compensation plans: Stock Option Plan, RSU Plan and Directors' Share Compensation Program, each as further described in its public disclosure documents. Directors, officers and certain employees may be entitled to Common Shares from time to time pursuant to various grants and vesting terms made under each of these plans.

Schedule 9.01(18)
Relevant Jurisdictions

| Entity | Principal Place of Business | Relevant Jurisdictions |
|----------------------|---|--|
| TeraGo Inc. | 55 Commerce Valley Drive West Suite 800 Thornhill, ON L3T 7V9 | British Columbia Alberta Manitoba Ontario |
| TeraGo Networks Inc. | 55 Commerce Valley Drive West Suite 800 Thornhill, ON L3T 7V9 | British Columbia Alberta Manitoba Ontario Quebec |

Note: For additional address locations of the places of business, please see Schedule 9.01(12).

**Schedule 9.01(19)
Intellectual Property**

Trademarks

| Owner | Registration Number | Registration Date | Trademark |
|----------------------|----------------------------|--------------------------|--|
| TeraGo Networks Inc. | TMA572659 | 2002-12-19 | www.teragonetworks.com |
| TeraGo Networks Inc. | TMA562674 | 2019-09-04 | TERAGO |
| TeraGo Networks Inc. | TMA562676 | 2019-09-04 | TERAGO NETWORKS |
| TeraGo Networks Inc. | TMA571211 | 2002-11-25 | www.terago.ca |
| TeraGo Networks Inc. | TMA764,182 | 2010-04-14 |  |
| TeraGo Networks Inc. | TMA764,747 | 2010-04-21 | ACCÉLÉREZ VOS AFFAIRES |
| TeraGo Networks Inc. | TMA826,882 | 2012-06-21 | TERAGO VOICE |
| TeraGo Networks Inc. | TMA826,894 | 2012-06-21 | VOIX TERAGO |
| TeraGo Networks Inc. | TMA1055537 | 2019-09-20 |  |
| TeraGo Networks Inc. | TMA1,006,845 | 2018-10-16 | RACKFORCE |

Copyrights

None.

Patents

None.

Industrial Designs

None.

Schedule 9.01(20)
Material Contracts and Material Licences

Material Contracts

- This Agreement (as amended from time to time)

Material Licences

The following spectrum licences issued to TeraGo Networks Inc. by Innovation, Science and Economic Development Canada (ISED):

| Licence Number | Tier Area | Geographic Area | Band | Total MHz | Licensee | Expiry |
|----------------|-----------|-------------------------------|------|-----------|----------------------|------------|
| 010305447-001 | 3-026 | BARRIE | 24 | 400 | TeraGo Networks Inc. | 2025-01-20 |
| 010305472-001 | 3-026 | BARRIE | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305473-001 | 3-026 | BARRIE | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305489-001 | 3-047 | CALGARY | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305490-001 | 3-047 | CALGARY | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010308961-001 | 3-047 | CALGARY | 24 | 80 | TeraGo Networks Inc. | 2025-05-25 |
| 010308960-002 | 3-047 | CALGARY | 24 | 80 | TeraGo Networks Inc. | 2025-05-25 |
| 010308962-001 | 3-044-001 | EDMONTON | 24 | 80 | TeraGo Networks Inc. | 2025-05-25 |
| 010308959-002 | 3-044-001 | EDMONTON | 24 | 80 | TeraGo Networks Inc. | 2025-05-25 |
| 010305467-001 | 3-020 | KINGSTON | 38 | 400 | TeraGo Networks Inc. | 2025-01-20 |
| 010305468-001 | 3-020 | KINGSTON | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305471-001 | 3-020 | KINGSTON | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305480-001 | 3-030 | LONDON, WOODSTOCK, ST. THOMAS | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305481-001 | 3-030 | LONDON, WOODSTOCK, ST. THOMAS | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010309219-001 | 3-013 | MONTREAL | 24 | 240 | TeraGo Networks Inc. | 2025-05-25 |
| 010309326-002 | 3-013 | MONTREAL | 24 | 160 | TeraGo Networks Inc. | 2025-05-25 |
| 010305474-001 | 3-029 | NIAGARA-ST. CATHARINES | 38 | 400 | TeraGo Networks Inc. | 2025-01-20 |
| 010305475-001 | 3-029 | NIAGARA-ST. CATHARINES | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305476-001 | 3-029 | NIAGARA-ST. CATHARINES | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305495-001 | 3-051 | OKANAGAN, COLUMBIA | 38 | 400 | TeraGo Networks Inc. | 2025-01-20 |
| 010305496-001 | 3-051 | OKANAGAN, COLUMBIA | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305497-001 | 3-051 | OKANAGAN, COLUMBIA | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010309220-001 | 3-015 | OTTAWA | 24 | 240 | TeraGo Networks Inc. | 2025-05-25 |
| 010309327-002 | 3-015 | OTTAWA | 24 | 160 | TeraGo Networks Inc. | 2025-05-25 |
| 010305491-001 | 3-048 | RED DEER | 38 | 400 | TeraGo Networks Inc. | 2025-01-20 |
| 010305492-001 | 3-048 | RED DEER | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305493-001 | 3-048 | RED DEER | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010309218-001 | 3-025 | TORONTO | 24 | 240 | TeraGo Networks Inc. | 2025-05-25 |
| 010309329-002 | 3-025 | TORONTO | 24 | 160 | TeraGo Networks Inc. | 2025-05-25 |
| 010308963-001 | 3-052 | VANCOUVER | 24 | 80 | TeraGo Networks Inc. | 2025-05-25 |

| | | | | | | |
|---------------|-------|---------------------|----|-----|----------------------|------------|
| 010309328-003 | 3-052 | VANCOUVER | 24 | 320 | TeraGo Networks Inc. | 2025-05-25 |
| 010305448-001 | 3-053 | VICTORIA | 24 | 400 | TeraGo Networks Inc. | 2025-01-20 |
| 010305498-001 | 3-053 | VICTORIA | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305483-001 | 3-032 | WINDSOR, LEAMINGTON | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305484-001 | 3-032 | WINDSOR, LEAMINGTON | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305485-001 | 3-032 | WINDSOR, LEAMINGTON | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305486-001 | 3-032 | WINDSOR, LEAMINGTON | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305487-001 | 3-039 | WINNIPEG | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |
| 010305488-001 | 3-039 | WINNIPEG | 38 | 100 | TeraGo Networks Inc. | 2025-01-20 |

Schedule 9.01(27)
Non-Arm's Length Transactions

None.

Schedule 9.01(33)
Accounts

| Obligor | Bank | Account Number | Type of Account |
|--|---|---|--|
| TeraGo Networks Inc. (formerly Mobilexchange Spectrum Inc.) | • [name of bank intentionally omitted] | • [Account number intentionally omitted] | • [Type of account intentionally omitted] |
| TeraGo Networks Inc. | • [name of bank intentionally omitted] | • [Account number intentionally omitted] | • [Type of account intentionally omitted] |
| TeraGo Inc. (3848574 Canada Inc.) | • [name of bank intentionally omitted] | • [Account number intentionally omitted] | • [Type of account intentionally omitted] |
| TeraGo Networks Inc. (formerly RackForce Networks Inc.) | • [name of bank intentionally omitted] | • [Account number intentionally omitted] | • [Type of account intentionally omitted] |
| TeraGo Networks Inc. (formerly RackForce Networks Inc.) | • [name of bank intentionally omitted] | • [Account number intentionally omitted] | • [Type of account intentionally omitted] |
| TeraGo Networks Inc. | • [name of bank intentionally omitted] | • [Account number intentionally omitted] | • [Type of account intentionally omitted] |
| TeraGo Networks Inc. | • [name of bank intentionally omitted] | • [Account number intentionally omitted] | • [Type of account intentionally omitted] |
| TeraGo Networks Inc. | • [name of bank intentionally omitted] | • [Account number intentionally omitted] | • [Type of account intentionally omitted] |
| TeraGo Networks Inc. | • [name of bank intentionally omitted] | • [Account number intentionally omitted] | • [Type of account intentionally omitted] |