

EXECUTION COPY

DATA COMMUNICATIONS MANAGEMENT CORP.

as Borrower

and

THE PERSONS FROM TIME TO TIME PARTY HERETO

as Guarantors

and

INTEGRATED PRIVATE DEBT FUND V LP

as Lender

C\$5,000,000 TERM CREDIT FACILITY

CREDIT AGREEMENT

DATED AS OF 10 NOVEMBER 2017



ALLEN McDONALD SWARTZ LLP
Business Lawyers



Canada's Top 10
Corporate Law Boutique
Selected by Canadian Lawyer Magazine

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	1
1.1 Definitions	1
1.2 Construction	22
1.3 Certain Rules of Interpretation.....	22
1.4 Knowledge	24
1.5 Performance on Business Days	24
1.6 Accounting Terms	24
1.7 Permitted Liens	24
ARTICLE 2 THE CREDIT.....	25
2.1 Amount and Availment.....	25
2.2 Re-borrowing.....	25
2.3 Use of the Credit	25
2.4 Term and Repayment	25
2.5 Interest Rate.....	25
2.6 Commitment Fee.....	26
ARTICLE 3 SECURITY	27
3.1 Security	27
ARTICLE 4 DISBURSEMENT CONDITIONS	30
4.1 Conditions Precedent to Advance	30
ARTICLE 5 REPRESENTATIONS AND WARRANTIES	34
5.1 Representations and Warranties.....	34
5.2 Survival of Representations and Warranties.....	43
5.3 Representation and Warranty of the Lender	43
ARTICLE 6 COVENANTS.....	43
6.1 Financial Covenants.....	43
6.2 Positive Covenants	44
6.3 Financial Reporting and Notice Requirements	50
6.4 Negative Covenants	53

6.5	Use of Insurance Proceeds	62
6.6	Intragroup Obligations	63
ARTICLE 7 DEFAULT		64
7.1	Default	64
7.2	Acceleration and Termination of Rights	69
7.3	Remedies	69
7.4	Interest After Stay of Proceedings	69
7.5	Saving	69
7.6	Perform Obligations	70
7.7	Third Parties.....	70
7.8	Power of Attorney.....	70
7.9	Remedies Cumulative	71
7.10	Set-Off or Compensation.....	71
ARTICLE 8 DETAILS REGARDING ADVANCES, PAYMENTS, INTEREST AND FEES.....		72
8.1	Evidence of Indebtedness	72
8.2	Calculation and Other Matters Regarding Interest and Fees	72
8.3	Payments.....	74
8.4	Increased Costs Etc.	74
8.5	Taxes	75
8.6	Mitigation Obligation.....	77
8.7	Illegality	77
ARTICLE 9 MISCELLANEOUS PROVISIONS		78
9.1	Successors and Assigns	78
9.2	Severability, Etc.	79
9.3	Amendment, Supplement or Waiver	79
9.4	Governing Law and Agent for Service.....	79
9.5	Waiver of Jury Trial, Consequential Damages Etc.....	80
9.6	Expenses and Indemnity	81
9.7	Currency	83
9.8	Currency Indemnity	83
9.9	Notices.....	83
9.10	Time of the Essence	84
9.11	Further Assurances.....	85
9.12	Term of Agreement	85

9.13	Counterparts and Electronic Delivery	85
9.14	Treatment of Certain Information; Confidentiality	85
9.15	Entire Agreement	86
9.16	This Agreement to Govern.....	87
9.17	Language	87
9.18	Limitation Periods	87
9.19	Services Provided and Conflicts of Interest.....	88

SCHEDULE A AMORTIZATION TABLE

SCHEDULE B DETAILS OF EQUITY INTERESTS, PROPERTY, ETC.

SCHEDULE C INTELLECTUAL PROPERTY

SCHEDULE D MATERIAL DISPUTES

SCHEDULE E NOTICE OF ADVANCE

SCHEDULE F COMPLIANCE CERTIFICATE

SCHEDULE G AGREEMENT OF NEW OBLIGOR SUPPLEMENT TO CREDIT AGREEMENT

SCHEDULE H ADDRESSES FOR NOTICE

SCHEDULE I EXISTING WELFARE AND DB PENSION PLANS

CREDIT AGREEMENT dated as of 10 November 2017

BETWEEN:

DATA COMMUNICATIONS MANAGEMENT CORP.

as Borrower

– and –

THE PERSONS FROM TIME TO TIME PARTY HERETO

as Guarantors

– and –

INTEGRATED PRIVATE DEBT FUND V LP

as Lender

RECITALS:

- A. By commitment letter dated 15 September 2017 addressed to the Borrower, and accepted on 21 September 2017 (the “**Commitment Letter**”), the Lender agreed to establish a non-revolving term credit facility in favour of the Borrower in the maximum amount of C\$5,000,000 subject to certain conditions.
- B. The Parties are entering into this Agreement to provide for the terms of such credit facility.

THEREFORE, for value received, and intending to be legally bound by this Agreement, the Parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following terms have the respective meanings specified or referred to. The following terms have the same meanings if used in another Loan Document unless they are otherwise defined in that Loan Document or the context otherwise requires.

- (1) “**141**” means 1416395 Alberta Ltd., a corporation incorporated under the laws of the Province of Alberta.
- (2) “**ABL Credit Agreement**” means the credit agreement dated as of 10 March 2016 between the Borrower, as borrower, and the ABL Lender, as lender establishing the ABL Facility in favour of the Borrower, as amended by a first amending agreement dated 31 January 2017 a second amending agreement dated as of 30 May 2017, a third amending agreement dated as of 28 June 2017, a fourth amending agreement dated as of 29 September 2017, a fifth amending agreement dated as of October 20, 2017 and a sixth amending agreement dated as of the date hereof, and as further amended from time to time in accordance with this Agreement and the ABL Intercreditor Agreement.
- (3) “**ABL Facility**” means the credit facilities in the aggregate principal amount of \$35,000,000 (as such amount may be increased in accordance with the terms of the ABL Intercreditor Agreement) made available to the Borrower by the ABL Lender pursuant to the ABL Credit Agreement.
- (4) “**ABL Intercreditor Agreement**” means the amended and restated intercreditor agreement dated as of 22 February 2017 between, among others, the Borrower, the other Obligors, the Lender, the ABL Lender and each Additional IPD Term Lender in form and substance satisfactory to the Lender.
- (5) “**ABL Lender**” means Bank of Montreal or any successor or assignee of Bank of Montreal’s rights under the ABL Credit Agreement, provided such successor or assignee agrees to be bound by the terms of the ABL Intercreditor Agreement.
- (6) “**ABL Term Debt**” means indebtedness of the Borrower to the ABL Lender in respect of the “Term Facility Commitment” (as defined in the ABL Credit Agreement) in the original principal amount of CAD \$7,000,000 and a current outstanding principal amount of CAD \$2,622,224.
- (7) “**Acquisition**” means (a) any investment in, or purchase or other acquisition of any Equity Interests of any Person, other than as contemplated in Section 6.4(8)(c), or (b) any purchase or other acquisition of a business or undertaking or division of any Person, including Property comprising the business, undertaking or division.
- (8) “**Additional IPD Term Credit Agreement**” means a credit agreement establishing Additional IPD Term Debt in favour of an Obligor.

- (9) **“Additional IPD Term Debt”** means:
- (a) the Debt owing by Thistle and the Borrower, as co-borrowers, pursuant to the terms of the IPD III Term Credit Agreement (as defined in the ABL Intercreditor Agreement);
 - (b) the Debt owing by the Borrower to IPD IV pursuant to the terms of the IPD IV Term Credit Agreement; and
 - (c) any other Debt incurred by an Obligor pursuant to an Additional IPD Term Credit Agreement provided:
 - (i) the lender thereunder is a limited partnership or fund managed by Integrated Private Debt Fund GP Inc.; and
 - (ii) prior to the incurrence of such Debt, the Lender shall have received a Compliance Certificate of the Borrower demonstrating *pro forma* compliance with the financial covenants of the Borrower under Section 6.1 hereof (after giving effect to the incurrence of such Debt).
- (10) **“Additional IPD Term Lenders”** means lenders of Additional IPD Term Debt.
- (11) **“Advance”** means the availment of the Credit by the Borrower. Any reference to the amount of the Advance is a reference to the then-outstanding amount of the Credit.
- (12) **“Advance Date”** means the date, which shall be a Business Day, of the Advance.
- (13) **“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.
- (14) **“Agreement”** means this credit agreement, including all Schedules to this credit agreement. In any other Loan Document, **“Agreement”** means the Loan Document in which the term is used.
- (15) **“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 that Person, in each case whether or not having the force of law.

- (16) “**Associate**” has the meaning defined in the *Canada Business Corporations Act* as of the date of this Agreement.
- (17) “**BGI**” means BGI Holdings Inc., a corporation amalgamated under the laws of the Province of Alberta.
- (18) “**Borrower**” means DATA Communications Management Corp. (formerly known as DATA Group Ltd.), a corporation amalgamated under the laws of the Province of Ontario.
- (19) “**Branch of Account**” means the office of the Lender at 70 University Avenue, Suite 1200, Toronto, Ontario, M5J 2M4, or another address that the Lender may designate by notice to the Borrower from time to time.
- (20) “**Bridging**” means Bridging Finance Inc.
- (21) “**Bridging Debt**” means the Debt owing to Bridging under the terms of the Bridging Facility Agreement;
- (22) “**Bridging Facility Agreement**” means the credit facility letter dated as of 28 June 2017 under which Bridging has established in favour of the Borrower a non-revolving demand loan facility of up to CAD \$3,500,000, as amended, supplemented, restated, Refinanced or otherwise modified from time to time.
- (23) “**Bridging Intercreditor Agreement**” means the intercreditor agreement dated as of 28 June 2017 between, among others, the Borrower, the ABL Lender, Bridging, IPD III, IPD IV and each Additional IPD Term Lender (as defined in the Bridging Intercreditor Agreement).
- (24) “**Business Day**” means a day of the year, except a Saturday or a Sunday or a statutory holiday in the Province of Ontario, on which the Lender is open for normal business at its principal office in Toronto, Canada.
- (25) “**Canadian Dollar**”, “**C\$**”, “**CAD**” and “**\$**” each mean the lawful currency of Canada.

- (26) “**Capital Expenditure**” means any expenditure for fixed or capital assets (including by way of capital lease) that is required to be classified as a capital expenditure in accordance with GAAP or is of a type that has previously been classified as a capital expenditure by the relevant Person.
- (27) “**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 its administration, interpretation, implementation or application by any Governmental Authority or (c) the making or issuance of any Applicable Law by any Governmental Authority, except that notwithstanding anything in this Agreement to the contrary, (i) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, guidelines or directives under it or issued in connection with it and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or Canadian or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “**Change in Law**” regardless of the date enacted, adopted or issued.
- (28) “**Commitment Letter**” has the meaning given to such term in the recitals.
- (29) “**Compliance Certificate**” means a certificate in the form of Schedule F.
- (30) “**Constating Documents**” means, with respect to any Person, as applicable:
- (a) its certificate and/or articles of incorporation, association, amalgamation or continuance, memorandum of association, charter, declaration of trust, trust deed, partnership agreement, limited liability company agreement or other similar document;
 - (b) its by-laws; and
 - (c) all unanimous shareholder agreements, other shareholder agreements, voting trust agreements and similar arrangements applicable to the Person’s Equity Interests, but excluding any shareholder agreements, voting trust agreements or other similar agreements in respect of the Borrower’s Equity Interests to which the Borrower is not a party;

all as in effect from time to time.

- (31) “**Contract**” means any agreement, contract, indenture, lease, deed of trust, licence, option, undertaking, promise or other commitment or obligation, whether oral or written, expressed or implied, other than a Permit.
- (32) “**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.
- (33) “**Credit**” means the credit in favour of the Borrower that is established pursuant to Section 2.1.
- (34) “**DB Pension Plan**” means a Pension Plan that contains or has ever contained a “defined benefit provision” as such term is defined in section 147.1(1) of the *Income Tax Act* (Canada).
- (35) “**Debt**” means, with respect to any Person, the following amounts, each calculated in accordance with GAAP unless the context otherwise requires and without regard to any interest component (whether actual or imputed) that is not due and payable, except as provided in item (c) below:
- (a) any obligation (including by way of overdraft or draft or order accepted representing an extension of credit) that would be considered to be indebtedness for borrowed money;
 - (b) any obligation (whether or not with respect to the borrowing of money);
 - (c) the face amount of any bankers’ acceptance or similar instrument;
 - (d) any obligation on which interest is customarily paid by that Person;
 - (e) any Equity Interest of that Person (or of any Subsidiary of that Person) that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder), or on the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder of the Equity Interest, in whole or in part, on or before, or within one year after, the maturity date of the Credit, for cash or securities constituting Debt;

- (f) the market value of any Derivative for which the market value is negative from that Person's perspective (that is, the Person is "out of the money"), where the market value is the aggregate amount that would have to be paid by that Person to its counterparty under the Derivative so as to preserve the economic equivalent of all payments or deliveries (whether the underlying obligation was absolute or contingent) to be made by both parties in respect of the obligations under the Derivative; that amount may be reduced to the extent that the market value of another Derivative entered into by that Person with the same counterparty is positive from that Person's perspective and a netting arrangement between that Person and its counterparty is in place;
- (g) any capital lease obligation, synthetic lease obligation, obligation under sale and leaseback transaction or purchase money obligation;
- (h) all indebtedness of any other Person secured by a Lien on any Property of the specified Person, whether or not the indebtedness is assumed by the specified Person, except that the amount of the resulting Debt shall be the lesser of (i) the fair market value of the Property at the date of determination, and (ii) the amount of the indebtedness of the other Person;
- (i) the face amount of any outstanding letter of credit or letter of guarantee, performance bond, surety bond or similar instrument for which the Person has reimbursement obligations;
- (j) the amount of the contingent liability under any guarantee (except by endorsement of negotiable instruments for collection or deposit in the Ordinary Course) in any manner of any part or all of an obligation of another Person of the type included in items (a) through (i) above; and
- (k) any other guarantee or other contingent liability of any part or all of an obligation of another Person, in each case only to the extent that the guarantee or other contingent liability is required by GAAP to be treated as a liability on a balance sheet of the guarantor or Person contingently liable;

except that current trade payables incurred in the Ordinary Course do not constitute Debt.

- (36) **“Debt Service Coverage Ratio”** means, at any time, the ratio of:
- (a) EBITDA for the Borrower's four (4) most recently completed fiscal quarters less (i) income taxes actually paid in cash and (ii) the amount of Capital Expenditures actually incurred or paid during such period up to the amount permitted under this Agreement, to
 - (b) the aggregate of:
 - (i) scheduled principal and interest payments payable to (x) the Lender in respect of the Credit under the Agreement, and (y) the Additional IPD Term Lenders in respect of Additional IPD Term Debt;
 - (ii) the projected interest payments to be paid to the ABL Lender in respect of the ABL Facility under the ABL Credit Agreement;
 - (iii) the projected interest payments to be paid under the terms of the Bridging Facility Agreement; and
 - (iv) interest payments payable in respect of each of the Borrower's leases that are classified as "capital leases" in accordance with GAAP.

For greater clarity, the amounts described in clauses (b)(ii) and (b)(iii) above shall be calculated by adding the projected interest payments over the next four (4) fiscal quarters, with projected interest payments calculated based on (y) the applicable interest rate at the end of the most recently completed fiscal quarter, and (z) the outstanding balance of the applicable credit facility as at the end of the most recently completed fiscal quarter.

- (37) **“Debt Service Reserve Account”** [TEXT REDACTED: The omitted text sets forth information on the Debt Service Reserve Account]
- (38) **“Debt Service Reserve Requirement”** means an aggregate of \$515,000, comprised of (i) \$425,000, required pursuant to the IPD IV Term Credit Agreement; and (ii) \$90,000 required in connection with the Credit.
- (39) **“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.

- (40) **“Derivative”** means any transaction or combination of transactions, including any related agreement, of a type commonly considered to be a derivative or hedging transaction, whether relating to one or more of interest rates, currencies, commodities, securities or any other matters, including (a) any cap, collar, floor or option, (b) any forward contract, and (c) any rate swap, basis swap, commodity swap, cross-currency swap or other swap or contract for differences.
- (41) **“Dispute”** means any suit, action, dispute, investigation, claim, arbitration, legal, insolvency or other proceeding, appeal or application for review, whether at law, in equity or before any Governmental Authority, or any industrial or labour dispute, and includes any claim by any Governmental Authority regarding payment, collection, withholding or remittance of Taxes.
- (42) **“DSRA Blocked Account Agreement”** means the blocked account agreement dated as of March 10, 2016 between IPD IV, the Borrower and Bank of Montreal, as account bank in respect of the Debt Service Reserve Account, in form and substance satisfactory to the Lender.
- (43) **“EBITDA”** means, for any relevant period, an amount equal to the Borrower’s net income or net loss for the period, calculated on a consolidated basis in accordance with GAAP unless otherwise expressly described below, plus amounts deducted, or minus amounts added, in calculating net income or net loss in respect of:
 - (a) the aggregate expense incurred for interest on Debt and other costs of obtaining credit;
 - (b) income taxes, whether or not deferred;
 - (c) depreciation and amortization;
 - (d) non-cash expenses resulting from employee or management compensation, including the grant of stock options or restricted options to employees;
 - (e) any gain or loss attributable to the sale, conversion or other disposition of Property out of the Ordinary Course;

- (f) interest or dividend income;
 - (g) foreign exchange gain or loss;
 - (h) gains resulting from the write-up of Property and losses resulting from the write-down of Property (except allowances for doubtful accounts receivable and non-cash reserves for obsolete inventory);
 - (i) any gain or loss on the repurchase or redemption of any securities (including in connection with the early retirement or defeasance of any Debt);
 - (j) goodwill and other intangible asset write-downs; and
 - (k) any other extraordinary, non-recurring or unusual items agreed to by the Lender, acting reasonably.
- (44) **“Eclipse”** means 1959197 Ontario Inc. (formerly known as Eclipse Colour & Imaging Corp.), a corporation existing under the laws of Ontario, and its successors and permitted assigns.
- (45) **“Employee Plan”** means a Pension Plan, a Welfare Plan or both.
- (46) **“Equity Interests”** means, with respect to any Person, any and all present and future shares, units, trust units, partnership, membership or other interests, participations or other equivalent rights in the Person’s equity or capital, however designated and whether voting or non-voting, and warrants, options or other rights to acquire any of the foregoing and Debt or other rights convertible into or exchangeable for any of the foregoing.
- (47) **“Event of Default”** means any event listed in Section 7.1.
- (48) **“Excess Cash Flow”** means, as of each Excess Cash Flow Determination Date, an amount equal to:
- (a) if the Debt Service Coverage Ratio for the Borrower's four (4) most recently completed fiscal quarters as of such Excess Cash Flow Determination Date is greater than 2.0 to 1.0 and provided no Default or Event of Default has occurred or is continuing or would result therefrom, EBITDA for the Borrower for the two most recently completed fiscal

quarters, subject to the following adjustments, without duplication, each on a consolidated basis:

- (i) less income taxes actually paid in cash in respect of such two most recently completed fiscal quarters;
 - (ii) less the amount of Capital Expenditures actually incurred or paid during such two most recently completed fiscal quarters up to the amount permitted under this Agreement;
 - (iii) less the amount of principal and interest payments made to (x) the Lender in respect of the Credit under this Agreement, and (y) the Additional IPD Term Lenders in respect of Additional IPD Term Debt, in each case in respect of such two most recently completed fiscal quarters;
 - (iv) less the aggregate amount of interest (including discounts and/or fees in respect of bankers' acceptances, letters of credit and letters of guarantee) and other costs of obtaining credit paid to the ABL Lender under the ABL Facility in respect of such two most recently completed fiscal quarters;
 - (v) less the aggregate amount of interest and other costs of obtaining credit paid to the lender under the Bridging Facility Agreement in respect of such two most recently completed fiscal quarters; and
 - (vi) less the amount of interest paid by the Borrower in such two most recently completed fiscal quarters in respect of each of lease that is classified as a "capital lease" in accordance with GAAP; or
- (b) if the Debt Service Coverage Ratio for the Borrower's four (4) most recently completed fiscal quarters as of such Excess Cash Flow Determination Date is equal to or less than 2.0 to 1.0, \$0,

in each case, as calculated and determined in a Compliance Certificate delivered to the Lender by the Borrower, in reasonable detail and in a form satisfactory to the Lender.

- (49) “**Excess Cash Flow Determination Date**” means, in respect of the immediately prior two most recently completed fiscal quarters of the Borrower, each March 31 and September 30 of each calendar year.
- (50) “**Excess Cash Flow Distribution Period**” means in respect of each Excess Cash Flow Determination Date, the period beginning on the first day following such Excess Cash Flow Determination Date and ending on the immediately following Excess Cash Flow Determination Date.
- (51) “**Excluded Taxes**” means, with respect to the Lender or any other recipient of any payment to be made by or on account of any obligation of an Obligor under any Loan Document, (i) taxes imposed on or measured by its net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction under the laws of which the recipient is organized or in which its principal office is located or, in the case of the Lender, in which its applicable lending office is located (or any political subdivision of that jurisdiction), (ii) any branch profits taxes or any similar tax imposed by any jurisdiction in which the Lender is located, (iii) any Taxes imposed by reason of the recipient of a payment being a person with whom an Obligor is not dealing at arm’s length for the purposes of the *Income Tax Act* (Canada), (iv) any Taxes imposed as a result of a failure of a Lender to comply with certification, identification, declaration or similar reporting requirements concerning the nationality, residence, identity or connection with Canada or any province or territory thereof or therein or agency thereof or therein, if such compliance is required by statute or by regulation, as a precondition to reduction of, or exemption, from such Taxes, (v) any Taxes under FATCA and (vi) any interest, penalties and additions to tax attributable to the items described in (i) through (v) above.
- (52) “**FATCA**” means section 1471 through 1474 of the *Internal Revenue Code* of the United States (the “**Code**”) and (a) any regulations or official interpretations thereof (including any revenue ruling, revenue procedure, notice or similar guidance issued by the IRS thereunder as a precondition to relief or exemption from taxes under such sections, regulations and interpretations), (b) any applicable agreement entered into under section 1471(b)(1) of the Code and (c) any applicable intergovernmental agreement with respect to the implementation of the foregoing.
- (53) “**GAAP**” means generally accepted accounting principles in effect from time to time in Canada, as established or adopted by the Canadian Institute of

Chartered Accountants or any successor body, including the International Financial Reporting Standards, but those standards shall not be considered to be relevant to any determination made under this Agreement unless and until they are adopted by the applicable person.

- (54) **“Governmental Authority”** means the government of Canada or any other nation, or of any of its political subdivisions, whether provincial, 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.
- (55) **“Griffin”** means Griffin House Graphics Limited, a corporation incorporated under the laws of Ontario and its successor and permitted assigns.
- (56) **“Guarantors”** means, collectively, DATA Communications Management (US) Corp. (formerly known as DATA Group (US) Corp.) and the other Persons that guarantee the Obligations from time to time that are or become Parties, including Thistle and Griffin.
- (57) **“Hazardous Materials”** means any pollutant, contaminant, or hazardous, toxic or dangerous waste, substance or material, as defined in any Applicable Law or regulated by any Governmental Authority from time to time.
- (58) **“Indemnified Taxes”** means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of an Obligor under any Loan Document, and (b) to the extent not otherwise described in (a), Other Taxes.
- (59) **“Intellectual Property”** means patents, trademarks, service marks, trade names, copyrights, trade secrets, industrial designs and other similar rights.
- (60) **“Intercreditor Agreement”** means any intercreditor, priority, subordination or similar agreement, including the ABL Intercreditor Agreement, the Bridging Intercreditor Agreement and any declaration of subordination by the Lender for the benefit of a third party or by a third party for the benefit of the Lender, that may be entered into from time to time and that provides for the terms of subordination, ranking or priority of any other Debt or Lien in relation to any of

the Obligations, any other debts, liabilities and obligations secured by the Security, or any Security.

- (61) “**Interest Rate**” has the meaning given to such term in Section 2.5.
- (62) “**Interest Rate Differential**” means the difference between (i) the present value of the principal and interest payments of the Credit that would have been made had the prepayment not been made, discounted at the rate determined by the Lender based on the yields on Government of Canada Bonds having terms approximately equal to the term from the date of prepayment to the Maturity Date; and (ii) the face value of the principal amount being prepaid at the date of prepayment.
- (63) “**Intragroup Obligations**” means all present and future debts, liabilities and obligations of any kind owing or remaining unpaid by an Obligor to another Obligor.
- (64) “**IPD III**” means Integrated Private Debt Fund III LP.
- (65) “**IPD IV**” means Integrated Private Debt Fund IV LP.
- (66) “**IPD IV Term Credit Agreement**” means the credit agreement dated as of 10 March 2016 between the Borrower, as borrower, and IPD IV, as lender, establishing a \$28,000,000 term loan in favour of the Borrower, as amended, restated or modified from time to time.
- (67) “**KYC Laws**” means Applicable Law regarding anti-money laundering, anti-terrorist financing, government sanction and “know your client” matters, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada).
- (68) “**Lender**” means Integrated Private Debt Fund V LP, which may also be referred to in any Loan Document as “Integrated Private Debt Fund GP Inc., in its capacity as general partner of Integrated Private Debt Fund V LP” or by other words to that effect.
- (69) “**Lien**” means:
 - (a) with respect to any Property, any mortgage, debenture, deed of trust, lien, pledge, hypothec, hypothecation, encumbrance, charge, assignment

by way of security, consignment, security interest, royalty interest, adverse claim, defect of title or right to set off in, on or of the Property;

- (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease (or financial lease) or title retention agreement having substantially the same economic effect as any of the foregoing, relating to any Property;
 - (c) with respect to securities of the Obligors (other than the Borrower), any purchase option, call or similar right of a third party, in respect of such securities;
 - (d) any netting or set-off arrangement (except one arising by operation of law in the Ordinary Course), defeasance arrangement or reciprocal fee arrangement; and
 - (e) any other arrangement having the effect of providing security.
- (70) **“Loan Documents”** means this Agreement, the Security, each Intercreditor Agreement (including the ABL Intercreditor Agreement and the Bridging Intercreditor Agreement) and all other documents relating to the Credit.
- (71) **“Material”** means (except when used as part of another term defined in a Loan Document), with reference to the matter described as Material, that it would reasonably be considered to be a material factor by a prudent lender in its assessment of a loan of a type similar to the Credit extended or to be extended to a borrower similar to the Borrower, and **“Materially”** has a corresponding meaning.
- (72) **“Material Adverse Effect”** means a material adverse effect on (a) the business, operations, Property, liabilities, financial position or operating results of the Obligors, taken as a whole, (b) the ability of the Obligors, taken as a whole, to comply with the Loan Documents, or (c) the validity or enforceability of a Material provision of any Loan Document.
- (73) **“Material Contract”** means each Contract to which any Obligor is a party that, if terminated, would have a Material Adverse Effect.
- (74) **“Material Permit”** means each Permit issued to any Obligor that, if terminated, would have a Material Adverse Effect.

- (75) **“Maturity Date”** has the meaning given to such term in Section 2.4(2).
- (76) **“Multi-employer Plan”** means a Pension Plan that is a “multi-employer plan” as such term is defined in section 8500(1) of the regulations under the *Income Tax Act* (Canada).
- (77) **“Obligations”** means all debts, liabilities and obligations of the Obligors to the Lender under or in connection with this Agreement or any other Loan Document, whether present or future, direct or indirect, absolute or contingent, matured or not, at any time owing or remaining unpaid by the Obligors to the Lender in any currency under or in connection with this Agreement or any other Loan Document, whether arising from dealings between the Lender and the Obligors or from other dealings or proceedings by which the Lender may be or become in any manner whatever a creditor of the Obligors under or in connection with this Agreement or any other Loan Document, and wherever incurred, and whether incurred by the Obligors alone or with another or others and whether as principal or surety, and all interest, fees, commissions and legal and other costs, charges and expenses owing or remaining unpaid by the Obligors to the Lender in any currency under or in connection with this Agreement or any other Loan Document.
- (78) **“Obligors”** means, collectively, the Borrower and each of the Guarantors. References to “the Obligors” shall be interpreted to mean “the Obligors or any of them.” As at the date hereof, the Obligors are the Borrower, DATA Communications Management (US) Corp., Thistle and Griffin.
- (79) **“Ordinary Course”** means, with respect to an action taken by a Person, that the action is consistent with the past practices of the Person and is taken in the usual course of the normal day-to-day operations of the Person, but dealing with new customers or suppliers or adopting new business methods does not, in itself, constitute a departure from past practice.
- (80) **“Other Taxes”** means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.
- (81) **“Parties”** means collectively the Borrower, the other Obligors and the Lender.

- (82) **“Payment Date”** means the 15th day of each calendar month.
- (83) **“Pension Plan”** means a “registered pension plan” that is subject to the applicable pension benefits legislation in any jurisdiction in Canada, and that is organized and administered to provide pensions, pension benefits or retirement benefits for employees and former employees of any Obligor.
- (84) **“Permits”** means franchises, licences, qualifications, authorizations, consents, certificates, registrations, exemptions, waivers, filings, grants, notifications, privileges, rights, orders, judgments, rulings, directives, permits and other approvals, obtained from or required by a Governmental Authority.
- (85) **“Permitted Debt”** means:
- (a) the Obligations;
 - (b) other debts, liabilities and obligations to the Lender;
 - (c) Debt secured by Permitted Liens;
 - (d) Debt represented by the Secured VTB Notes provided the Secured VTB Notes are at all times subject to the ABL Intercreditor Agreement;
 - (e) Debt represented by the Unsecured VTB Notes;
 - (f) the Bridging Debt, provided the Bridging Debt is at all times subject to the Bridging Intercreditor Agreement;
 - (g) Intragroup Obligations that are expressly subordinated and postponed to the Credit pursuant to Section 6.6 or otherwise subject to an Intercreditor Agreement approved by the Lender;
 - (h) guarantees and indemnities expressly permitted by this Agreement to the extent they constitute Debt; and
 - (i) other Debt expressly consented to by the Lender in writing.
- (86) **“Permitted Liens”** means, with respect to any Person:
- (a) Liens for Taxes 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 for which that Person has made adequate provision for payment of the contested amount and provided evidence of the provision requested by the Lender;

- (b) undetermined or inchoate Liens, rights of distress and charges incidental to current operations that have not been filed or exercised and of which the Lender has not been given notice, or that relate to obligations not due or payable or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person and for which that Person has made adequate provision for payment of the contested amount and provided evidence of the provision requested by the Lender;
- (c) reservations, limitations, provisos and conditions expressed in any original grants from the Crown or other grants of real or immovable property, or interests in real or immovable property, that do not Materially affect the use of the affected land for the purpose for which it is used by that Person;
- (d) licences, easements, rights-of-way and rights in the nature of easements (including licences, easements, rights-of-way and rights in the nature of easements for sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) and zoning, land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, municipal and other Governmental Authorities that do not Materially impair the use of the affected land for the purpose for which it is used by that Person;
- (e) minor title defects, encroachments or irregularities that 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 Authority by the terms of any lease, license, franchise, grant or permit acquired by that person or by any statutory provision to terminate the lease, license, franchise, grant or permit, or to require annual or other payments as a condition to its continuance;

- (g) security given to a public utility or any Governmental Authority when required by the utility or authority in connection with the operations of that Person in the Ordinary Course;
- (h) the Lien 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 being satisfied by that Person and has not caused a Default and that Person has made adequate provision for payment of the contested amount and provided evidence of the provision requested by the Lender;
- (i) the Security;
- (j) Liens securing the ABL Facility, the Additional IPD Term Debt, the Bridging Debt and the Secured VTB Notes (if applicable) provided, in each case, such Liens are at all times subject to the ABL Intercreditor Agreement and the Bridging Intercreditor Agreement;
- (k) Liens which exist as of the date of this Agreement granted in favour of a landlord in the Ordinary Course in connection with a lease of premises by an Obligor on tangible personal or corporeal movable Property of the Person located solely on the premises leased by the landlord to the Person and securing only the obligations of the Person under the applicable lease of the premises;
- (l) Liens on equipment or software and its proceeds created or assumed to finance or refinance the acquisition or improvement or secure the unpaid purchase price of the equipment or software, as applicable (including the principal amount of any capital lease) provided that the aggregate principal amount (or fair market value of the Property that is subject to a Lien if no principal amount is designated) secured by all such Liens outstanding for all Obligors at any time does not exceed \$2,000,000;
- (m) Liens in respect of operating leases that are not capital leases and do not create Debt; and
- (n) other Liens expressly agreed to in writing by the Lender.

- (87) **“Person”** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity, and **“person”** has the same meaning.
- (88) **“Pledged Shares”** means the Equity Interests of the Obligors and other Persons that are specifically pledged as part of the Security from time to time. For greater certainty, the Equity Interests of the Borrower shall not constitute Pledged Shares for the purposes of this Agreement or other Loan Documents.
- (89) **“Property”** means, with respect to any Person, any or all of its present and future undertaking, property and assets, whether tangible or intangible, real or personal, and includes rights under Contracts and Permits.
- (90) **“Related Parties”** means, with respect to any Person, its Affiliates and the directors, officers, employees, agents and advisors of the Person and of its Affiliates.
- (91) **“Representatives”** means, with respect to any party, its Affiliates and, if applicable, its and their respective directors, officers, employees, agents and other representatives and advisors.
- (92) **“Request for Funds”** means a request for funds, in form and substance satisfactory to the Lender in its sole discretion, issued by the Borrower to the Lender at least ten (10) Business Days before the date of the Advance.
- (93) **“Secured VTB Noteholders”** means each of Capri Media Group Inc. and Eclipse.
- (94) **“Secured VTB Notes”** means (i) the promissory note dated as of 31 January 2017 in the maximum principal amount of \$3,494,419.00 made by the Borrower in favour of Capri Media Group Inc. and (ii) two promissory notes made by the Borrower in favour of Eclipse each dated as of 31 January 2017 and each in the maximum principal amount of \$2,282,995.00.
- (95) **“Security”** means all security documents and guarantees and indemnities made by the Obligors or other Persons in favour of or for the benefit of the Lender, securing or intended to secure or support the repayment of the Obligations and other debts, liabilities and obligations to the Lender, including the security documents and guarantees and indemnities described in Section 3.1.

- (96) **“Statutory Plan”** means any benefit plan that an Obligor is required by statute to participate in or contribute to in respect of any current or former employee, director, officer, shareholder, consultant or independent contractor of that Obligor, or any dependent of any of them, including the Canada Pension Plan, the Quebec Pension Plan and plans administered pursuant to applicable legislation regarding health, tax, workers’ compensation insurance and employment insurance.
- (97) **“Subsidiary”** of a Person means any Person Controlled by the first Person or by any Subsidiary of the first Person.
- (98) **“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 to them.
- (99) **“Thistle”** means Thistle Printing Limited, a corporation existing under the laws of Ontario, and its successors and permitted assigns.
- (100) **“Thistle Special Bonus Payments”** means [TEXT REDACTED: The omitted text sets forth information on the bonus payments.]
- (101) **“Total Funded Debt”** means, in respect of the Borrower, at any time, the aggregate, without duplication, of (i) the principal amount outstanding under the Credit at such time, (ii) the principal amount outstanding under the ABL Facility at such time, (iii) the aggregate principal amount outstanding under all Additional IPD Term Debt at such time, and (iv) the principal amount outstanding under the Bridging Facility Agreement at such time, calculated on a consolidated basis in accordance with GAAP.
- (102) **“Total Funded Debt to EBITDA Ratio”** means, at any time, the ratio of (a) Total Funded Debt at that time to (b) EBITDA for the Borrower's four (4) most recently completed fiscal quarters.
- (103) **“Unsecured VTB Noteholders”** means Kevin McCoy and Karen McCoy.
- (104) **“Unsecured VTB Notes”** means, collectively, (a) the promissory note in the amount of \$601,105.00 dated November 10, 2017 and issued by the Borrower to Kevin McCoy, and (b) the promissory note in the amount of \$485,208.00 dated November 10, 2017 and issued by the Borrower to Karen McCoy.

- (105) **“VTB Noteholders”** means, collectively, the Secured VTB Noteholders and the Unsecured VTB Noteholders and **“VTB Noteholder”** means any one of them.
- (106) **“VTB Notes”** means, collectively, the Secured VTB Notes and the Unsecured VTB Notes and **“VTB Note”** means any one of them.
- (107) **“Welfare Plan”** means any deferred compensation, bonus, share option or purchase, savings, retirement savings, retirement benefit, profit sharing, medical, health, hospitalization, insurance or any other benefit, program, agreement or arrangement, funded or unfunded, formal or informal, written or unwritten, that is applicable to any current or former employee, director, officer, shareholder, consultant or independent contractor of any Obligor, or any dependent of any of them, except a Pension Plan or a Statutory Plan.
- (108) **“Working Capital Current Ratio”** means, at any time, the ratio of (a) the Borrower’s current assets at that time, and (b) the Borrower’s current liabilities (excluding the non-current portion of the Credit) at that time, in each case calculated on a consolidated basis in accordance with GAAP.

1.2 Construction

The Loan Documents have been negotiated by each party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of the Loan Documents.

1.3 Certain Rules of Interpretation

- (1) In any Loan Document:
- (a) the division into articles and sections and the insertion of headings and the Table of Contents are for convenience of reference only and shall not affect the construction or interpretation of the Loan Document;
 - (b) unless otherwise specified or the context otherwise requires:
 - (i) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”;

- (ii) all amounts expressed in this Agreement in terms of money shall refer to Canadian Dollars, but any determination concerning any representation, covenant, Event of Default or other limit that refers to a minimum or maximum amount in Canadian Dollars will be made by taking into account the equivalent amounts in other currencies at the time of calculation;
 - (iii) any reference to a Person "directly or indirectly" owning, doing or having anything includes a Subsidiary of that Person owning, doing or having that thing; and
 - (iv) all references to specific times are references to Toronto time.
- (2) The interpretation rules in this Section 1.3(2) apply to every Loan Document unless a particular Loan Document specifies otherwise or the context otherwise requires. The definitions of terms in any Loan Document 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 (including any definition of or reference to this Agreement) shall be construed as referring to that agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on amendments, supplements, restatements or modifications in any Loan Document), (b) any reference to any Person shall be construed to include the Person's successors and permitted assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to the Loan Document in which they appear in its entirety and not to any particular provision of the Loan Document, (d) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which the references appear, (e) any reference to any law or regulation shall, unless otherwise specified, refer to that 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 Property, including cash, securities, accounts and contract rights.

- (3) If Section 7.1 specifies a grace period before an event or circumstance becomes an Event of Default (that is, the occurrence of the event or circumstance initially constitutes a Default but not an Event of Default), and if before the expiration of the grace period the Borrower provides evidence of having remedied the event or circumstance that is satisfactory to the Lender, acting reasonably, then any Default arising from the occurrence of that event or circumstance will be deemed not to be “continuing.” In any other case, any Default or Event of Default will be deemed to be “continuing” if it has not been waived by the Lender in accordance with Section 9.3.

1.4 Knowledge

In any Loan Document, any reference to the knowledge of any party means to the best of the knowledge, information and belief of the party after reviewing all relevant records and making due inquiries regarding the relevant matter of all relevant Representatives of the party.

1.5 Performance on Business Days

If any action is required to be taken pursuant to any Loan Document on or by a specified date that is not a Business Day, the action is valid if taken on or by the next Business Day except that, in the case of a payment, if the next Business Day is in a different calendar month then the payment shall be made on the preceding Business Day.

1.6 Accounting Terms

In any Loan Document, unless specified otherwise, each accounting term has the meaning assigned to it under GAAP.

1.7 Permitted Liens

The designation of a Lien to be a Permitted Lien is not, and shall not be deemed to be, an acknowledgment by the Lender that the Lien shall have priority over the Liens constituted by the Security.

ARTICLE 2 THE CREDIT

2.1 Amount and Availment

- (1) Subject to the terms and conditions of this Agreement, the Lender shall provide a credit facility referred to herein as the Credit for the use of the Borrower in the aggregate amount of up to \$5,000,000.
- (2) The Credit may be drawn only in a single Advance upon the conditions precedent in Section 4.1 being satisfied or waived by the Lender. Any amount under the Credit that is not drawn on the Advance Date shall be permanently cancelled.

2.2 Re-borrowing

The Credit is a non-revolving credit and the principal amount of the Credit that is repaid may not be re-borrowed.

2.3 Use of the Credit

The Credit may only be used, to (a) repay in full the ABL Term Debt and (b) finance a portion of the purchase price to acquire BGI and 141.

2.4 Term and Repayment

- (1) The Credit shall be repaid at the Branch of Account on each Payment Date, in 66 equal monthly instalments of blended principal and interest as described on Schedule A, beginning on the first Payment Date set forth on Schedule A.
- (2) The Credit shall in any event be repaid in full and cancelled on or before November 10, 2023 (the "**Maturity Date**").
- (3) The Borrower may prepay the Credit in whole, but not in part, at any time provided that the Borrower gives the Lender not less than 30 days' prior written notice (which shall be irrevocable) and pays the Lender the Interest Rate Differential if any and if positive. The Interest Rate Differential shall also apply to any repayment following the Obligations becoming due and payable under Section 7.2.

2.5 Interest Rate

Interest shall accrue and be payable on the outstanding amount of the Credit at a fixed rate equal to 6.95% per annum (the “**Interest Rate**”).

2.6 Commitment Fee.

[TEXT REDACTED: The omitted text sets forth information on the commitment fee payable by the Borrower to the Lender.]

2.7 Debt Service Reserve Account

- (1) The Debt Service Reserve Account shall be subject to the Liens in favour of the Lender under the Security and shall be subject to the DSRA Blocked Account Agreement. Prior to December 15, 2017, the Borrower shall deposit into the Debt Service Reserve Account an amount representing the Debt Service Reserve Requirement, and thereafter, the Borrower shall, no later than 1 Business Day following each Payment Date, cause to be deposited into the Debt Service Reserve Account such amount as is necessary until the amount deposited therein is greater than or equal to the Debt Service Reserve Requirement. Funds on deposit in the Debt Service Reserve Account shall not bear interest.
- (2) On each Payment Date, IPD IV is hereby authorized and directed to withdraw funds from the Debt Service Reserve Account to be applied towards the monthly payment of principal and interest then due to IPD IV as set forth in Schedule A to the IPD IV Term Credit Agreement and to the Lender as set forth on Schedule A to this Agreement. At no time shall the Borrower be permitted to withdraw any amounts on deposit in the Debt Service Reserve Account.
- (3) Upon the Lender being provided evidence satisfactory to it, acting reasonably, that:
 - (a) the ABL Lender no longer requires a mandatory daily prepayment of the ABL Facility from the Borrower’s cash on hand; and
 - (b) the Borrower’s bank accounts are no longer subject to blocked account agreements in favour of the ABL Lender,

the Lender agrees to, and to direct IPD IV to, terminate the DSRA Blocked Account Agreement, transfer any remaining funds in the Debt Service Reserve Account to the Borrower and close the Debt Service Reserve Account. Thereafter, all further payments of principal and interest owing to the Lender in accordance

with the terms of this Agreement shall be paid by the Borrower directly to the Lender at the Branch of Account on each Payment Date.

ARTICLE 3 SECURITY

3.1 Security

- (1) The Security includes the following documents and instruments in favour of the Lender, all in form and substance satisfactory to the Lender and subject only to Permitted Liens:
 - (a) security over all present and future Property of each Obligor in the form of a general security agreement, assignment of insurance and/or other documents appropriate for the type of Property and the jurisdictions in which Property is located;
 - (b) pledges of all Equity Interests of Obligors (other than the Borrower) that are owned by other Obligors from time to time;
 - (c) pledges of Equity Interests of Persons other than the Obligors that are owned by the Obligors from time to time;
 - (d) assignments by way of security of Material Contracts and Material Permits that are designated by the Lender from time to time, by the relevant Obligors;
 - (e) unlimited and unconditional guarantees and indemnities by each of the Obligors (excluding the Borrower) of the Obligations; and
 - (f) the ABL Intercreditor Agreement, the Bridging Intercreditor Agreement and Intercreditor Agreements in respect of all Intragroup Obligations (if not expressly subordinated and postponed to the Credit pursuant to Section 6.6).
- (2) If at any time the Borrower owns, establishes or acquires a Subsidiary that is wholly owned by the Borrower, directly or indirectly, the Borrower shall immediately cause that Subsidiary to become an Obligor, adopt this Agreement by delivering an agreement in the form of Schedule G so as to be bound by all of the terms applicable to Obligors as if it had executed this Agreement as an Obligor, and deliver a guarantee and indemnity and other security documents

required to comply with Section 3.1(1), which shall become part of the Security. For the purposes of this Agreement, "wholly-owned" shall include any Subsidiary that is wholly-owned except for Equity Interests required by Applicable Law to be held by directors of the Subsidiary. The Borrower shall also deliver or cause the delivery of a pledge of all of the Equity Interests of the new Subsidiary as part of the Security, deliver any certificates representing the Equity Interests with endorsements executed in blank and take other steps that the Lender requires to perfect the Security relating to the Equity Interests.

- (3) If at any time any Obligor owns or acquires any Equity Interest in a Person that is not a wholly-owned Subsidiary, the Borrower shall cause the delivery of a pledge of that Equity Interest as part of the Security, the delivery of any certificates representing the Equity Interest with endorsements executed in blank and the taking of other steps that the Lender requires to perfect the Security relating to the Equity Interest.
- (4) Each Obligor shall, immediately on receipt, deliver to the Lender certificates representing all Equity Interests of an Obligor or other Person, in which it owns Equity Interests that it acquires after the date that it first delivers Equity Interests of the Obligor or other Person as part of the Security, together with any certificates representing the Equity Interests and endorsements executed in blank, and take other steps that the Lender requires to perfect the Security relating to the Equity Interests. If Equity Interests of an Obligor that have been pledged as part of the Security are subsequently transferred to another Obligor, the transferee shall immediately deliver a pledge of all of the transferred Equity Interests as part of the Security, deliver any certificates representing the Equity Interests with endorsements executed in blank and take other steps that the Lender requires to perfect the Security relating to the Equity Interests.
- (5) Each Obligor shall, immediately on the acquisition of any freehold real or immovable property or any Intellectual Property in which its interest is registered in a public office, grant to the Lender a fixed charge over that real or immovable property or a security interest in that Intellectual Property as part of the Security and cause the delivery of legal opinions and other supporting documents reasonably required by the Lender.
- (6) In order to perfect the Security and in connection with the delivery of any Security, the Borrower shall, in consultation with the Lender, and as directed by the Lender in the case of any uncertainty:

- (a) concurrently with the execution of any document forming part of the Security, arrange to register, file or record the document and/or, if applicable, financing statements or other prescribed statements in respect of the document, obtain agreements of other persons and take other actions, as may be necessary or desirable from time to time to perfect, preserve or protect the Security, wherever such registration, filing, recording, agreement or other action may be necessary or desirable (except for bank accounts maintained by DATA Communications Management (US) Corp. in the United States of America);
 - (b) whenever necessary or desirable, including in the circumstances contemplated in Sections 6.4(14) and 6.4(15), arrange to renew or amend existing registrations, filings and recordings and make additional registrations, filings and recordings and take other actions as are necessary or desirable to maintain the Security as valid and effective security with the priority required by this Agreement; and
 - (c) cause documents, including title insurance policies, opinions of counsel and other supporting documents satisfactory to the Lender, to be delivered to the Lender evidencing the action taken and confirming that the provisions of this Section 3.1(6) have been complied with.
- (7) In furtherance of Section 3.1(6), each Obligor acknowledges that the registration of, and documentation in respect of, the Security has been based upon laws and regulations in effect at the date hereof in the applicable jurisdictions, and that such laws and regulations may change or the Lender may elect to register some or all of the Security in other jurisdictions. Each Obligor agrees that the Lender shall have the right to require that such documentation and/or registrations be amended or supplemented from time to time to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, or registration requirements of other jurisdictions, in order to grant to the Lender the Liens intended to be created and perfected by the Security.
- (8) Nothing in this Section 3.1 that contemplates the Obligors owning, establishing, acquiring or transferring Property, Equity Interests or Subsidiaries shall in any way modify any restriction on doing so elsewhere in this Agreement.

**ARTICLE 4
DISBURSEMENT CONDITIONS**

4.1 Conditions Precedent to Advance

The conditions precedent specified in this Section 4.1 must be satisfied at or before the time of the Advance under this Agreement, unless waived by the Lender. Where delivery of documents is referred to, the documents must be delivered to the Lender in form and substance satisfactory to the Lender, duly executed by all parties and in full force and effect, and all matters disclosed by the documents must be satisfactory to the Lender.

(1) Security and Other Documents

- (a) The Lender must have received duly executed copies of this Agreement.
- (b) The Lender must have received duly executed copies of the Security and the Security must have been duly registered and otherwise perfected as required by the Lender.
- (c) The Lender must have received certificates representing the Pledged Shares, and endorsements executed in blank relating to those certificates and evidence of other arrangements being made as required by the Lender to perfect the Security relating to the Pledged Shares.

(2) Corporate and Other Information

- (a) The Lender must have received a certificate of each Obligor attaching (i) copies of its Constatting Documents, (ii) a list of its officers and directors with occupations of all directors with specimens of the signatures of those officers or directors who are executing Loan Documents on its behalf, (iii) copies of the corporate proceedings taken to authorize it to execute, deliver and perform its obligations under the Loan Documents and, if it is an issuer of Pledged Shares, consents that are required from the directors, shareholders, partners or members relating to Pledged Shares that it has issued, whether in connection with the pledges of Pledged Shares or in connection with any disposition of the Pledged Shares upon enforcement of the Security, (iv) a copy of the register of holders of Pledged Shares that it has issued with a notation of them being

pledged as part of the Security, and (v) other corporate and “know your client” information that the Lender may reasonably require.

- (b) The Lender must have received a certificate of status, compliance, good standing or equivalent for each Obligor and each issuer of Pledged Shares for its jurisdiction of incorporation and for each jurisdiction where an Obligor carries on business or where registrations or filings in relation to the Security given by that Obligor have been effected, except for any jurisdiction where certificates of that kind are not customarily issued by a Governmental Authority.
- (c) Each Obligor must have complied with Section 6.2(14).
- (d) The Lender must have received a copy of the ABL Credit Agreement and the Bridging Facility Agreement certified by the Borrower.

(3) Financial Information

- (a) The Lender must have received the audited consolidated financial statements for the Borrower’s fiscal year ended 31 December 2016 and unaudited consolidated financial statements for 30 June 2017.
- (b) The Lender must have received a Compliance Certificate of the Borrower demonstrating *pro forma* compliance with the financial covenants of the Borrower under Section 6.1 (after giving effect to the Advance) with the financial covenants and other calculations (which shall be in reasonable detail and satisfactory to the Lender, acting reasonably) being based upon the *pro-forma* financial position of the Borrower on a consolidated basis as of 30 June 2017.

(4) Due Diligence

- (a) The Lender must be satisfied with the results of its business, legal, financial, accounting, pension and environmental due diligence regarding the Obligors, including searches and other inquiries with Governmental Authorities.
- (b) Each of the Lender and an insurance consultant (which consultant shall be acceptable to the Lender in its sole discretion) shall have reviewed the Obligors’ insurance coverage and shall be satisfied that the existing

coverage complies with the terms and conditions of the Loan Documents concerning insurance coverage and the Lender shall have received a report of such insurance consultant to that effect, which report shall be addressed to the Lender and in form and substance satisfactory to the Lender in its sole discretion.

(5) Other Debt and Liens / Third Party Documents

- (a) The Lender must have received evidence that all Debt of the Obligors not forming part of Permitted Debt has been paid and performed in full or will be concurrently with the Advance.
- (b) The Lender must have received releases and discharges (in registrable form where appropriate) covering all Liens affecting any Property of each Obligor or subject to the Security that are not Permitted Liens or undertakings of the holders of the Liens to deliver releases and discharges promptly after the Advance.
- (c) The Lender must have received a duly executed copy of each joinder and consent required pursuant to the ABL Credit Agreement, the ABL Intercreditor Agreement, the Bridging Facility Agreement and the Bridging Intercreditor Agreement as result of the entering into of this Agreement, the incurring of the Obligations, the granting of the Security and the use of the proceeds of the Advance.
- (d) The Lender must have received all statements, postponements and acknowledgements that are required in respect of other Liens affecting the Property of the Obligors to confirm that those Liens are Permitted Liens.
- (e) The Lender must have received one or more certificates of the Borrower attaching copies of all documents necessary to fully and fairly disclose all Material terms of all Intragroup Obligations and must have entered into an Intercreditor Agreement regarding the Intragroup Obligations.
- (f) The Lender must have received certificates of insurance or other evidence that the Obligors are complying with the covenants and conditions of the Loan Documents concerning insurance coverage.

- (g) The Lender must have received an executed copy of the purchase and sale agreement relating to the acquisition of BGI and 141.
- (6) Opinions. The Lender must have received the opinion of McCarthy Tétrault LLP, counsel to the Obligors addressed to it.
- (7) Other Matters. The following other conditions must be satisfied:
 - (a) The Lender must have received payment of all fees that are payable under or in connection with this Agreement to the Lender on or before the Advance, and reimbursement of all expenses incurred by the Lender, including legal fees, as required by any Loan Document.
 - (b) The Advance must be made no later than 30 November 2017.
 - (c) The Lender must have received:
 - (i) a Request for Funds requesting the Advance not less than ten (10) Business Days before the date of the Advance; and
 - (ii) a notice of the Advance in the form of Schedule E not less than two (2) Business Days before the date of the Advance.
 - (d) The Lender must be satisfied that there has not occurred and does not exist any event or circumstance that has, or could reasonably be expected to have, a Material Adverse Effect since 31 December 2016.
 - (e) The Lender must have received other documents that the Lender may reasonably require.
 - (f) The representations and warranties made in Section 5.1 of this Agreement, except those expressly stated to be made as of a specific date, must be true and correct on and as of the Advance Date with the same force and effect as if the representations and warranties had been made on and as of the Advance Date.
 - (g) No Default or Event of Default shall have occurred and be continuing on the Advance Date, or result from making the Advance.
 - (h) The Lender must not have received notice under subsection 224(1.1) of the *Income Tax Act* (Canada) or any successor provision or any

comparable provision of any other taxing statute in respect of any Obligor.

- (i) All other terms and conditions of this Agreement on which the Advance may be obtained must be fulfilled.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties

Each Obligor represents and warrants to the Lender as specified in this Section 5.1.

- (1) Organization. It is duly incorporated, amalgamated or otherwise established and duly organized, validly existing and in good standing under the laws of its jurisdiction of formation. It is qualified to carry on business and in good standing in each jurisdiction where that is necessary or appropriate.
- (2) Powers. It has the corporate or analogous power and capacity to enter into and perform its obligations under any Loan Document to which it is or will be a party, to incur Obligations, to own its Property and to carry on the business in which it is engaged.
- (3) Authorization. All necessary corporate or analogous action has been taken by it or on its part to authorize its execution and delivery of the Loan Documents to which it is or will be a party, the incurrence of Obligations and the performance of its obligations under those Loan Documents.
- (4) Absence of Conflict. The execution, delivery and performance by it of the Loan Documents to which it is or will be a party and the incurrence of Obligations will not:
 - (a) result in a Material breach of any of the provisions of, constitute a default under, conflict with, or cause the acceleration of any of its obligations under:
 - (i) any Contract to which it is a party or by which any of its Property is bound or affected;

- (ii) any Permit by which its business or any of its Property is bound or affected;
 - (iii) its Constating Documents or any resolution of its directors (or similar governing body) or holders of its Equity Interests; or
 - (iv) any Applicable Law;
 - (b) result in or require the creation or imposition of any Lien on any of its Property, except Permitted Liens; or
 - (c) result in the forfeiture of any of its Property.
- (5) No Consents Required Except as contemplated in Section 3.1(6) and Section 4.1(5)(c), no Permit is required, nor is any authorization, consent, approval or notice required under any Contract to which it is a party, in connection with its execution, delivery and performance of the Loan Documents to which it is or will be a party or the incurrence of Obligations.
- (6) No Restrictions on Borrowing Etc. Neither its power to borrow money, to give financial assistance by way of loan, guarantee or otherwise, or to create any Lien on any or all of its present and future Property to secure the Obligations and other debts, liabilities and obligations to the Lender, nor the power of its directors to authorize those actions, is restricted by its Constating Documents or Applicable Law.
- (7) No Burdensome Restrictions. It is not a party to any Contract, the holder of any Permit or subject to any Applicable Law, compliance with which has had or could reasonably be expected to have a Material Adverse Effect.
- (8) Enforceability. The Loan Documents to which it is or will be a party have been or will be duly executed and delivered by it, and when executed and delivered will constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency and other similar laws affecting the rights of creditors generally and to general principles of equity.
- (9) No Default. As of the date of this Agreement and as of the date of any Advance, no Default or Event of Default has occurred and is continuing.

- (10) Compliance With Law. It is in Material compliance with all Applicable Law affecting it or its Property.
- (11) Debt. It has no Debt other than Permitted Debt.
- (12) Title. It has good and marketable title in fee simple to all real and immovable property that it purports to own, it has valid leasehold interests pursuant to valid and enforceable leases in all real, immovable, personal and movable property that it purports to hold as lessee, and it has valid and indefeasible title to all personal and movable property that it purports to own, in each case free and clear of all Liens except Permitted Liens.
- (13) Disputes Except as disclosed on Schedule D or as reported pursuant to Section 6.3(2)(d), there are no Material Disputes pending, outstanding or, to its knowledge, threatened against it. To its knowledge there is no factual or legal basis on which any Material Dispute might be commenced with any reasonable likelihood of success.
- (14) Financial Statements. Except to the extent that subsequent financial statements furnished to the Lender have identified restatements, other adjustments or changes in accounting policies, all of its financial statements furnished to the Lender in connection with this Agreement:
- (a) are complete and fairly present its assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial position as of the dates referred to in the financial statements and its revenues, expenses and results of operation for the periods they cover, in each case on a consolidated basis where specified; and
 - (b) have been prepared in accordance with GAAP, consistently applied, except, in the case of quarterly financial statements, notes to the statements and normal year-end audit adjustments required by GAAP are not included.
- (15) Projections Its most recent projections provided to the Lender, including forecasts, budgets, *pro formas* and business plans, were prepared in good faith based on assumptions that were believed to be reasonable and (except to the extent it has notified the Lender) are believed to be reasonable estimates of the prospects of the businesses referred to in the projections.

- (16) Accuracy of Information Taken as a whole, all information (including information in financial statements, but excluding projections) pertaining to the Obligors that it has provided to the Lender is complete and accurate in all Material respects and does not contain any untrue statement of a Material fact or omit to state a Material fact necessary in order to make the statements contained in the information not Materially misleading in light of the circumstances in which the statements are made. There is no fact that it has not disclosed to the Lender in writing that has had or could reasonably be expected to have a Material Adverse Effect.
- (17) No Material Adverse Effect. Since the date of its most recent audited financial statements provided to the Lender, there has been no event or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.
- (18) Permitted Liens. It is not in Material default under any Permitted Lien.
- (19) Insurance. It maintains appropriate insurance coverage, including business interruption insurance, that satisfies the covenants and conditions of the Loan Documents concerning insurance coverage.
- (20) Intragroup Obligations. As of the date of this Agreement or the most recently delivered Compliance Certificate, it has no Intragroup Obligations that are evidenced by way of promissory note, credit or loan agreement that have not been pledged in favour of the Lender and form part of the Security.
- (21) Property, Equity Interests, Etc. As of the date of this Agreement or the most recently delivered Compliance Certificate, Schedule B, as updated from time to time by each Compliance Certificate, contains a complete and accurate organizational chart for the Obligors and is a complete and accurate description of its name (including any French or combined French and English form of its name), its jurisdiction of incorporation, amalgamation or formation, the ownership (in respect of each Obligor other than the Borrower) of all of its issued and outstanding Equity Interests (including the identity of all Persons or groups of Persons that directly or indirectly own or control 25% or more of its outstanding Equity Interests), the nature of the business that it carries on, the locations of its registered office (and chief executive office, if different), the Equity Interests in Obligors and other Persons that it owns, the location of its freehold and leasehold real and immovable property where such Obligor maintains Property having a fair market value in excess of \$100,000, the

jurisdictions in which its other Property having a fair market value in excess of \$100,000 is located and its bank accounts and securities accounts.

- (22) Pledged Shares. The Pledged Shares are validly issued as fully paid and non-assessable shares of the respective issuers. The consents of the directors, shareholders, partners or members of the respective issuers of Pledged Shares that will be delivered at or before the time that the Pledged Shares become part of the Security are the only consents that are necessary or desirable in connection with the pledges of the Pledged Shares as part of the Security (including the enforcement of the pledges), and will be kept in full force and effect as long as they remain necessary or desirable.
- (23) Intellectual Property. It owns or is licensed or otherwise has the right to use all Intellectual Property that is necessary for the operation of its business, to its knowledge without Material conflict with the rights of any other Person, except as specified on Schedule C. As at the date of this Agreement or the most recently delivered Compliance Certificate, all Intellectual Property in which its interest is registered in any public office is listed on Schedule C, as updated from time to time by each Compliance Certificate. If it is not the owner of any Intellectual Property used in its business, its right of use is not subject to termination unless the consequences of termination would not be Material.
- (24) Permits. All Permits required to own its Property and carry on its business as currently conducted are in full force and effect, except for omissions that individually and in the aggregate are not Material.
- (25) Environmental Matters
 - (a) Its business and Property (including underlying groundwater) have been and are being owned, occupied and operated in compliance with Applicable Law relating to pollution, protection or enhancement of the environment, preservation or reclamation of natural resources, Hazardous Materials, or health and safety matters, except in each case for matters that, individually and in the aggregate, are not Material. To its knowledge there are no breaches of that Applicable Law, no enforcement actions are outstanding, threatened or pending in respect of that Applicable Law and it has not received any communication alleging that it is in breach of that Applicable Law or claiming that it has any liability in

respect of Hazardous Materials, except in each case for matters that, individually and in the aggregate, are not Material.

- (b) (i) There are no active or abandoned underground storage tanks located on any land that it occupies or controls, except those that comply with Applicable Law in all Material respects, (ii) there are no Hazardous Materials located on, above or below the surface of any land that it occupies or controls or contained in the soil or water constituting that land, except those being stored, used and otherwise handled and existing in compliance with Applicable Law in all Material respects, (iii) no release, spill, leak, emission, discharge, leaching, dumping or disposal of Hazardous Materials has occurred on or from the land, except those that are not Material and do not violate Applicable Law, (iv) no land that it occupies or controls has been used as a landfill or waste disposal site, (v) Hazardous Materials generated on any land that it occupies or controls have been transported, treated and disposed of in accordance with Applicable Law in all Material respects, and (vi) no other circumstance exists that would give rise to liability on its part under the Applicable Law referred to in Section 5.1(25)(a).
- (c) It has made available to the Lender all environmental data and studies (including any environmental audit) that it has regarding any land that it occupies or controls.
- (d) Its representations in this Section 5.1(25) regarding land that it presently occupies or controls would have been accurate with respect to land that it previously occupied or controlled if made immediately before the time when it ceased to occupy or control that land.

(26) Taxes and Withholdings

- (a) It has correctly and completely filed on a timely basis all Material returns, elections and reports required to be filed by it regarding its Taxes under Applicable Law. It has paid all Material Taxes due and payable by it, unless they are being contested diligently, in good faith and by appropriate proceedings, it has made adequate provisions or reserves for payment of the contested amount and it has provided evidence of the provisions or reserves for the contested amount that the Lender requires. It has made adequate provision for Material Taxes payable by it for the

current period and any previous period for which tax returns are not yet required to be filed. It is not subject to any audit by any Governmental Authority relating to Taxes.

- (b) It has been deducted or withheld from any amount paid or credited, or deemed to be paid or credited to, by it to or for the account or benefit of any Person, including past or present employees, officers or directors and any non-resident of the country in which it is resident, the amount of all Material Taxes and other Material amounts required to be withheld from those payments under Applicable Law, has remitted the amounts deducted or withheld to the proper tax authorities within the time required under any Applicable Law and has correctly and completely filed on a timely basis all Material returns and reports required to be filed by it regarding amounts deducted or withheld.
- (c) It has collected and remitted to the appropriate tax authority in accordance with Applicable Law to do so all Material amounts required to be collected and remitted in respect of sales tax, goods and services tax and similar Taxes, and has correctly and completely filed on a timely basis all Material returns and Material reports required to be filed by it regarding amounts collected.

(27) Pension and Other Plans

- (a) It does not maintain or contribute to, is not required to maintain or contribute to, is not a party to or bound by, and has no liability or contingent liability under, any program, agreement or arrangement outside Canada that is similar to an Employee Plan.
- (b) Except with respect to certain post-employment benefits described in Schedule I, it has no liability or contingent liability under a Welfare Plan to provide for benefits after termination of employment or retirement.
- (c) Except for matters that, individually or in the aggregate, could not reasonably be expected to be Material, and with respect to any Multi-employer Plan, to the knowledge of the Obligors (i) each Employee Plan is, and has been, established, registered, qualified, administered and invested in compliance in all respects with its terms and all Applicable Law, (ii) all employer and employee payments, contributions and premiums required to be remitted or paid to or in respect of any

Employee Plan or Statutory Plan have been remitted or paid in a timely fashion to or in respect of the Employee Plan or the Statutory Plan in accordance with their respective terms and all Applicable Law, (iii) all of its obligations that are due under each applicable Employee Plan and Statutory Plan have been satisfied, (iv) there is no claim by any Governmental Authority or by any Person pending or, to its knowledge, threatened in respect of any Employee Plan (except routine claims for payment of benefits), (v) except with respect to the DB Pension Plan listed in Schedule I, no event has occurred that has given rise to or could reasonably be expected to give rise to any liability on its part under any Employee Plan except those disclosed in the financial statements required to be provided pursuant to this Agreement, and (vi) with respect to any Employee Plan that is registered under any Applicable Law, no event has occurred and no condition exists that has resulted or could reasonably be expected to result in that Employee Plan having its registration revoked, or entitle any Person (except the Obligor) to terminate or wind up that Employee Plan (in whole or in part), or result in that Employee Plan being placed under the administration of any Governmental Authority, or result in it being required to pay any taxes or penalties under any Applicable Law.

- (d) During the last twelve consecutive months, and with respect to any Multi-employer Plan, to the knowledge of the Obligors (i) no steps have been taken by it or by a Governmental Authority to terminate or wind up a Pension Plan (wholly or in part) that could result in it being required to make additional contributions to the Pension Plan, and (ii) except with respect to the DB Pension Plan listed in Schedule I, no condition exists and no event has occurred with respect to any Employee Plan or Statutory Plan that might result in an increase in the amount of its liability over, or the incurrence by it of any liability in addition to, its liability before the existence of the condition or the occurrence of the event, or that might result in it incurring any fine or penalty.
- (e) None of the Obligors maintains or contributes to, or has any unsatisfied obligation to contribute to, or liability or contingent liability under, any active or terminated DB Pension Plan except as disclosed in Schedule I.

(28) Solvency

- (a) The aggregate of its Property is, at a fair valuation, sufficient, and, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all of its obligations and liabilities (including contingent liabilities), due and accruing due.
 - (b) It is able to meet its obligations as they generally become due and it has not ceased paying its current obligations in the Ordinary Course as they generally become due.
 - (c) It does not intend to, and does not believe that it will, incur debts or liabilities beyond its ability to pay as they come due.
 - (d) It is not engaged, and is not about to engage, in business or a transaction for which its Property would constitute an unreasonably small capital.
 - (e) It is otherwise solvent under Applicable Law.
- (29) Charitable Status It is not a charity registered with the Canada Revenue Agency and does not solicit charitable financial donations from the public.
- (30) Use of Proceeds Except as expressly specified in this Agreement, no Advance will be used by, on behalf of or for the benefit of any Person except the Obligors.
- (31) Financial Reporting Standards It has adopted International Financial Reporting Standards and has implemented strategies and procedures to effectively do so as required in accordance with the time frame and standards established by the Canadian Institute of Chartered Accountants.
- (32) KYC Laws Neither it nor any of its Affiliates is:
- (a) a Person referred to in section 5 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);
 - (b) a Person that is on the list of names subject to the Regulations Establishing a List of Entities made under subsection 83.05(1) of the *Criminal Code* (Canada), the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism* (RIUNRST) and/or the *United Nations Al-Qaida and Taliban Regulations* (UNAQTR) as published by the Office of the Superintendent of Financial Institutions Canada;

- (c) a Person that is subject to sanctions under the *Special Economic Measures Act* (Canada);
- (d) a Person that is subject to an order or regulation affecting its Property under the *Freezing Assets of Corrupt Foreign Officials Act* (Canada); or
- (e) a Person with which the Lender is restricted from dealing or otherwise engaging in any transaction by any KYC Law.

5.2 Survival of Representations and Warranties

The representations and warranties made in this Agreement or any other Loan Document shall survive the execution of this Agreement and all other Loan Documents. No investigation by or on behalf of the Lender at any time shall have the effect of waiving, diminishing the scope or otherwise affecting any representation or warranty made in any Loan Document. Unless expressly stated to be made as of a specific date, they shall be deemed to be repeated as of the date of delivery of each Compliance Certificate. The Lender shall be deemed to have relied upon all representations and warranties as at the Advance Date and as a condition of continuing to extend the Credit.

5.3 Representation and Warranty of the Lender

The Lender represents and warrants that, as of the Closing Date, the Lender is a “Canadian partnership”, as such term is defined in the *Income Tax Act* (Canada).

ARTICLE 6 COVENANTS

6.1 Financial Covenants

- (1) The Borrower shall at all times maintain a Total Funded Debt to EBITDA Ratio of not greater than the levels indicated below, for the applicable periods noted below:

<u>PERIOD</u>	<u>Funded Debt to EBITDA Ratio</u>
From 1 October 2017 up to 31 December 2017	3.50 to 1
From 1 January 2018 to 31 March 2018	3.25 to 1
On and after 1 April 2018	3.00 to 1

- (2) The Borrower shall at all times maintain a Debt Service Coverage Ratio of not less than 1.50 to 1.
- (3) The Borrower shall at all times maintain a Working Capital Current Ratio of not less than 1.1:1.
- (4) The Borrower shall at all times ensure the aggregate amount of its Total Funded Debt does not exceed \$75,000,000.
- (5) Unless otherwise provided, the foregoing ratios shall be calculated quarterly on a rolling four-quarter basis, based on the most recently completed four (4) fiscal quarters of the Borrower. Subject to the terms of this Agreement relating to Acquisitions and dispositions of Property, if any Obligor has acquired or disposed of any Subsidiary or material Property out of the Ordinary Course during the relevant period of four (4) fiscal quarters, the financial covenants shall be calculated on a pro forma basis in accordance with GAAP as if the new Subsidiary had been a Subsidiary during the entire four-quarter period (but specifically excluding adjustments for cost savings and synergies in relation to any permitted Acquisition unless otherwise consented to by the Lender) or the disposition of Property had occurred during the entire four-quarter period. The calculations of such adjustments shall be set out in detail in the applicable Compliance Certificate.

6.2 Positive Covenants

Each Obligor shall perform the covenants specified in this Section 6.2.

- (1) Payment of Obligations It shall duly and punctually pay the Obligations, either as Borrower or in accordance with any guarantee or indemnity made by it, at the times and places and in the manner required by the terms of this Agreement or the guarantee and indemnity, as applicable.
- (2) Use of Proceeds of Credit In the case of the Borrower, it shall use proceeds of Advances solely for the purposes set out in Section 2.3.
- (3) Maintenance of Existence and Status
 - (a) It shall maintain its existence and maintain its qualification to do business in all jurisdictions where it carries on business.

- (b) All Subsidiaries shall be wholly-owned by the Borrower, directly or indirectly.
- (4) Operation of Business
- (a) It shall keep proper books of accounts and record.
 - (b) It shall operate its business in accordance with sound business practices and in Material compliance with all Applicable Laws (including those regarding ownership of Persons carrying on the type of business that it carries on), Material Contracts, Material Permits and the terms of Permitted Liens.
 - (c) It shall diligently maintain and operate its Material Property so as to preserve such Property and the income from such Property.
 - (d) It shall maintain in good standing and shall obtain, as and when required, all Permits and Contracts that are Material to its business and Property, and the performance of its obligations under the Loan Documents to which it is or will be a party.
- (5) Inspection It shall at all reasonable times and from time to time on reasonable notice, unless a Default has occurred and is continuing in which case reasonable notice shall not be required, permit Representatives of the Lender to inspect any of its Material Property and to examine and take extracts from its financial books, accounts and records, including accounts and records stored in computer data banks and computer software systems, and to discuss its financial condition with its senior officers and (in the presence of those of its Representatives as it may designate) its auditors, the reasonable expense of all of which shall be paid by the Borrower.
- (6) Insurance It shall maintain or cause to be maintained, and shall provide the Lender annually or more often if reasonably requested with evidence of, then current insurance in respect of its Property and its business operations underwritten with financially sound and reputable insurance companies, with minimum terms and conditions as follows:
- (a) “all risks” property insurance (including the perils of earthquake, flood and sewer back up) must be provided in an amount not less than the full replacement cost of any Property (including coverage for foundations and

footings) and include coverage on all fixtures and other personal property located at or related to any particular building that it owns or for which it is legally liable;

- (b) its property insurance must be written on a replacement cost basis and, if coverage is provided on any particular building, the replacement cost wording may not restrict replacement to be on the same or an adjacent site, must either be written on a stated amount basis or not be subject to any co-insurance, and must include full by-laws extensions, including increased cost of construction and cost of demolition of the undamaged portion of any property;
- (c) business interruption insurance must cover 100% of its projected gross profits with a period of indemnity of not less than 12 months;
- (d) if it owns or is legally obligated to insure any particular building, broad form boiler and machinery insurance must be provided to cover property damage and business interruption losses to the same limits as provided under Sections 6.2(6)(a), 6.2(6)(b) and 6.2(6)(c) and include by-laws extensions, and must cover all heating, mechanical, and electrical equipment and other insurable objects at any location;
- (e) commercial general liability insurance must be provided with a limit of not less than \$5,000,000 per occurrence for personal injury, bodily injury and/or property damage liability and \$5,000,000 in the annual aggregate for products and completed operations liability, or any greater amount that the Lender may require, to cover claims arising out of its ownership of and operations at any Property, including contractual liability and a severability of interests/cross liability clause; commercial general liability limits may be achieved through a combination of general, umbrella and/or excess liability policies;
- (f) if there are automobiles registered in its name, automobile liability insurance must be provided to cover third party liability (minimum limit of \$1,000,000 per occurrence) on all vehicles it owns or leases;
- (g) policies must provide for other forms of insurance that the Lender may reasonably require from time to time, with terms and conditions available in the insurance marketplace and that would be maintained by a prudent owner of similar Property or operator of a similar business;

- (h) all property and business interruption policies of insurance must name the Lender as first mortgagee and loss payee, subject to prior ranking rights of any other relevant creditors permitted under this Agreement, and liability insurance policies must name the Lender as additional insured;
- (i) all policies must provide the Lender with at least 30 days' prior written notice of cancellation (except cancellation for non-payment of premiums, for which 15 days' notice may apply if prescribed by Applicable Law) and all property and boiler and machinery policies covering must contain a standard mortgage clause in favour of the Lender;
- (j) all certificates of insurance must be in a form acceptable to the Lender;
- (k) policies may contain reasonable deductibles; and
- (l) all policies must include a waiver of the insurers' rights of subrogation against the Lender.

In addition, it shall cooperate with the Lender, if requested by the Lender acting reasonably, in the appointment of an insurance consultant by the Lender, at the Borrower's expense, to review and report on all insurance related matters to the Lender.

(7) Taxes and Withholdings

- (a) It shall pay all Taxes as they become due and payable unless they are being contested in good faith by appropriate proceedings and it has made adequate provision for payment of the contested amount and it shall provide evidence of the provision for the contested amount that the Lender requires.
- (b) It shall withhold from each payment made to any of its past or present employees, officers or directors, and to any non-resident of the country in which it is resident, the amount of all Taxes and other deductions required to be withheld and pay the amount withheld to the proper tax or other receiving officers within the time required under any Applicable Law.

- (c) It shall collect from all Persons the amount of all Taxes required to be collected from them and remit the amount collected to the proper tax or other receiving officers within the time required under any Applicable Law.
- (8) Pension and Other Plans It shall perform all of its Material obligations under and in respect of each Employee Plan and Statutory Plan and shall remit or pay all payments, contributions and premiums that it is required to remit or pay to or in respect of each Employee Plan and Statutory Plan, all in a timely way in accordance with the terms of the applicable plan and all Applicable Law.
- (9) Hazardous Materials It shall observe and comply at all times and in all Material respects with the provisions of all Applicable Laws relating to Hazardous Materials and shall provide evidence of ongoing compliance with those Applicable Laws that the Lender reasonably requires from time to time including, if so requested by the Lender acting reasonably upon reasonable cause, having one or more environmental site assessment and/or compliance audits (each consisting of a non-intrusive phase one site assessment and recommendations with respect to the findings of the compliance audit, and other audits or investigations recommended in each phase one site assessment, including an intrusive phase two assessment) conducted and reported upon by an independent consultant engaged by the Obligor and acceptable to the Lender, acting reasonably. Site assessments shall be conducted in accordance with Applicable Law. It shall also remove, clean up or otherwise remedy the matters referred to in Section 6.3(2)(f).
- (10) Landlord Agreements If requested by the Lender, it shall use commercially reasonable efforts to obtain agreements satisfactory to the Lender for its benefit from landlords of leased premises in which it carries on business, and shall keep the Lender regularly informed of its progress in obtaining those agreements.
- (11) Control Agreements It shall notify the Lender of any securities account that it holds from time to time and shall obtain a control agreement satisfactory to the Lender, acting reasonably, from the relevant securities intermediary.
- (12) Agreements re Material Contracts and Material Permits If requested by the Lender, acting reasonably, it shall use commercially reasonable efforts to obtain agreements satisfactory to the Lender, acting reasonably, from its counterparties to Material Contracts and from issuers of Material Permits, and

shall keep the Lender regularly informed of its progress in obtaining those agreements.

- (13) Waiver of Immunity To the extent that it may be or become entitled, in any jurisdiction in which judicial proceedings may at any time be commenced with respect to any Loan Document, to claim for itself or its Property any immunity from legal proceedings, court jurisdiction, attachment before judgment, attachment in aid of execution of judgment, execution of a judgment, or any other legal process or remedy relating to its obligations under any Loan Document, and to the extent that such an immunity (whether or not claimed) may be attributed in any jurisdiction, it hereby irrevocably agrees not to claim immunity and hereby irrevocably waives immunity, in each case to the fullest extent permitted by Applicable Law.
- (14) Know Your Client Matters It shall promptly provide all information, including information concerning its direct and indirect holders of Equity Interests (other than holders of Equity Interests of the Borrower) and other Persons exercising Control over it, and its and their respective directors and officers, and including supporting documentation and other evidence, as may reasonably be requested by the Lender or any prospective assignee or participant of the Lender, in order to comply with the requesting person's policies and procedures relating to KYC Laws.
- (15) Post-Closing Covenants With respect to the delivery of landlord lender agreements and bailee letters, it shall:
- (a) use commercially reasonable efforts to deliver, or cause to be delivered, within 30 days following the Advance Date, landlord lender agreements, in form and substance satisfactory to the Lender, acting reasonably, in respect of each of the following locations leased by the Borrower:
 - (i) 9195 Torbram Road, Brampton; and
 - (ii) 80 Ambassador Drive, Mississauga.
 - (b) use commercially reasonable efforts to deliver, or cause to be delivered, within 30 days following the Advance Date, a bailee/warehouseman letter, in form and substance satisfactory to the Lender, acting reasonably, in respect of the following location – 2802 Swansea Crescent, Ottawa, Ontario from SCI Logistics.

6.3 Financial Reporting and Notice Requirements

- (1) Periodic Financial Reports The Borrower shall deliver or cause the delivery of the following reports to the Lender. All financial statements shall be prepared in accordance with GAAP and other reports shall be in a form satisfactory to the Lender.
- (a) As soon as practicable and in any event within 45 days of the end of each of its fiscal quarters (other than the fourth fiscal quarter which may be delivered within 75 days of the end of such fiscal quarter), the Borrower shall deliver interim unaudited consolidated financial statements as at the end of the quarter, including balance sheet, statement of income and retained earnings, statement of changes in financial position and management discussion and analysis.
 - (b) As soon as practicable and in any event within 120 days after the end of each of its fiscal years, the Borrower shall deliver its consolidated annual financial statements (and the Borrower shall deliver annual unconsolidated financial statements of the Obligors where prepared separately), including balance sheet, statement of income and retained earnings, statement of changes in financial position and management discussion and analysis. The financial statements shall be audited by an internationally recognized accounting firm, and shall include a copy of the auditor's letter to the Borrower, and shall otherwise be prepared by an internationally recognized accounting firm based on an audited engagement.
 - (c) As soon as practicable and in any event not later than 45 days after the first day of each of its fiscal years, the Borrower shall deliver (i) a budget for the Obligors for that fiscal year, and (ii) financial forecasts for the immediately following three (3) fiscal years, in each case with financial projections for the Borrower on a consolidated basis, which shall include a projected income statement, projected balance sheet, projected statement of changes in funds, estimates of Capital Expenditures and tax losses and deferrals, all broken down quarterly for the first fiscal year of the budget, and otherwise in detail acceptable to the Lender, acting reasonably.

- (d) The Borrower shall deliver a Compliance Certificate concurrently with the delivery of each of its quarterly financial statements, which Compliance Certificate shall include calculation of Excess Cash Flow for the Borrower's first and third fiscal quarters and shall be signed by the Chief Financial Officer of the Borrower.
- (e) The Borrower shall, concurrently with the filing, publishing, delivery or reporting by or on its behalf of any releases, reports, statements or documents to any regulatory authority or shareholder (including on SEDAR), provide a copy of any such release, report, statement or document to the Lender.
- (f) The Borrower shall promptly provide all other information reasonably requested by the Lender from time to time concerning the business, financial condition and Property of the Obligors.

If there is any change in a subsequent period by the Borrower from the accounting policies, practices and calculation methods used by the Borrower in preparing any part of its financial statements for its fiscal year ended 31 December 2016, including as a result of any adoption of International Financial Reporting Standards, the Borrower shall provide the Lender with all information that the Lender requires to ensure that reports provided to the Lender after any change are comparable to reports for the immediately preceding fiscal year. In addition, all calculations made for the purposes of this Agreement shall continue to be made based on the accounting policies, practices and calculation methods that were used in preparing the Borrower's financial statements for its fiscal year ended 31 December 2016 if the changed policies, practices and methods would have a Material effect on the results of those calculations, unless and until the Parties agree, acting reasonably, on amendments to this Agreement to reflect those changes.

(2) Requirements for Notice

- (a) The Borrower shall promptly notify the Lender on learning of any Default or Event of Default and shall from time to time provide the Lender with all information reasonably requested by the Lender concerning the status of the Default or Event of Default.
- (b) The Borrower shall promptly provide the Lender from time to time with certificates attaching copies of all documents necessary to fully and fairly

disclose all Material terms of all Material Contracts and all Material Permits entered into or obtained after the date of this Agreement.

- (c) The Borrower shall promptly notify the Lender on learning of any Material default under any Material Contract or Material Permit (either by an Obligor or by any other party), or of any event that, with or without the giving of notice, lapse of time or any other condition subsequent, would be a Material default or would otherwise allow the termination of any Material Contract or Material Permit or the imposition of any Material sanction on any party to a Material Contract or Material Permit, and shall from time to time provide the Lender with all information reasonably requested by the Lender concerning the status of the default.
- (d) The Borrower shall promptly notify the Lender on learning of any default or event of default under any Additional IPD Term Credit Agreement, any VTB Note, the ABL Credit Agreement, the Bridging Facility Agreement or any Intercreditor Agreement, or of any event that, with or without the giving of notice, lapse of time or any other condition subsequent, would be a default or event of default under any Additional IPD Term Credit Agreement, any VTB Note, the ABL Credit Agreement or any Intercreditor Agreement, and shall from time to time provide the Lender with all information reasonably requested by the Lender concerning the status of the default or event of default.
- (e) The Borrower shall promptly notify the Lender on learning of any Material Dispute affecting any Obligor, and of any other circumstance affecting any Obligor, the result of which has had or could reasonably be expected to have a Material Adverse Effect, and shall from time to time provide the Lender with all information reasonably requested by the Lender concerning the status of the Dispute or circumstance.
- (f) The Borrower shall promptly notify the Lender on (i) learning of Hazardous Materials located on, above or below the surface of any land that any Obligor occupies or controls (except those being stored, used and otherwise handled and existing in compliance with Applicable Laws), or contained in the soil or water constituting that land (in excess of levels prescribed under Applicable Laws, or that would constitute an actual or potential breach of or non-compliance with any Applicable Law), and (ii) the occurrence of any reportable release, spill, leak, emission, discharge,

leaching, dumping or disposal of Hazardous Materials that has occurred on or from the land. The Borrower shall provide the Lender with details, including cost, of the work required to remove, clean up or otherwise remedy the matters referred to in the notice.

- (g) The Borrower shall promptly notify the Lender and provide copies of all relevant documentation on learning of (i) the taking of any steps by an Obligor or any Governmental Authority to terminate or wind up any Pension Plan (wholly or in part) , or (ii) the taking of any action by any Person or the occurrence of any event with respect to any Employee Plan or Statutory Plan that could reasonably be expected to (w) give rise to a Lien under any Applicable Law, (x) result in an increase in the liability of an Obligor over, or the incurrence by an Obligor of any liability in addition to, the liability of the Obligor before the action was taken or the event occurred, in either case in a Material amount, (y) result in a fine, a penalty or any increase in the contingent liability of any Obligor under any Welfare Plan with respect to any benefit after termination of employment or retirement, in any case in a Material amount, or (z) have a Material Adverse Effect. The Borrower shall provide the Lender copies of all actuarial reports, accounting statements, financial statements and other materials in respect of any Employee Plan or Statutory Plan within 30 days of their preparation.

6.4 Negative Covenants

No Obligor shall do any of the things specified in this Section 6.4 without the prior written consent of the Lender.

(1) Liens

- (a) No Obligor shall create, incur, assume, cause or permit any Lien upon or in respect of any of its Property, except for Permitted Liens.
- (b) No Obligor shall do or permit anything to adversely affect the ranking or validity of the Security except by incurring a Permitted Lien.

(2) Debt and Payments of Debt

- (a) No Obligor shall create, incur, assume or permit the existence of any Debt except Permitted Debt.

- (b) No Obligor shall create, incur, assume or permit the existence of any debt, liability or obligation under or in connection with operating leases where the aggregate payment obligations for all such operating leases is in excess of \$5,000,000 in the aggregate in any fiscal year of the Borrower (other than operating leases with respect to real property); provided that no Obligor shall enter into any new operating lease if a Default has occurred and is continuing.

- (c) No Obligor shall prepay, redeem, defease, repurchase or otherwise acquire any of its Debt, or make other payments in respect of any of its Debt, except for:
 - (i) the Obligations and other Debt owing to the Lender;
 - (ii) purchase money and other obligations contemplated in Section 1.1(86)(l); or
 - (iii) if no Default or Event of Default has occurred and is continuing or would result from payment being made:
 - (1) (A) Debt of an Obligor which is a wholly-owned Subsidiary of the Borrower to the Borrower or another Obligor which is a wholly-owned Subsidiary of the Borrower; or (B) Debt of the Borrower to another Obligor;
 - (2) regularly scheduled payments of principal and interest (x) in respect of the ABL Facility to the ABL Lender in accordance with the terms of the ABL Credit Agreement, (y) in respect of Additional IPD Term Debt to the Additional IPD Term Lenders in accordance with the terms of the applicable Additional IPD Term Credit Agreements, and (z) in respect of the Bridging Debt to Bridging in accordance with the Bridging Facility Agreement, including at the maturity thereof, provided that the ABL Facility or such Additional IPD Term Debt, as applicable, remains at such time subject to the terms of the ABL Intercreditor Agreement and the Bridging Debt remains subject to the Bridging Intercreditor Agreement;

- (3) payment of the principal amount ABL Term Debt together with all accrued and unpaid interest thereon with the proceeds of the Advance; or
- (4) during any Excess Cash Flow Distribution Period, the Borrower shall be permitted to make cash payments in respect of the VTB Notes, in an aggregate amount, for all such cash payments, equal to 100% of the Borrower's Excess Cash Flow determined as of the Excess Cash Flow Determination Date applicable to such Excess Cash Flow Distribution Period (or such lower amount as reduced by payments made pursuant to Section 6.4(4)(a) and Section 6.4(4)(b) and pursuant to the concluding paragraph of Section 6.4(4)).

(3) Payments of Dividends and Fees

- (a) No Obligor shall declare or pay any dividend, return of capital or other distribution (in cash, securities or other Property) of, on or in respect of, any Equity Interests of any Obligor except for:
 - (i) payments to another Obligor; and
 - (ii) if no Default or Event of Default has occurred and is continuing or would result from payment being made, the Borrower shall be permitted to make, during any Excess Cash Flow Distribution Period, cash payments to holders of its Equity Interests (including redemptions of Equity Interests and cash payments under any normal course issuer bid commenced by the Borrower with respect to its Equity Interests, including any renewal thereof) in an aggregate amount, for all such cash payments, equal to 100% of the Borrower's Excess Cash Flow determined as of the Excess Cash Flow Determination Date applicable to such Excess Cash Flow Distribution Period (or such lower amount as reduced by payments made pursuant to Section 6.4(4)(a) and Section 6.4(4)(c) below and pursuant to the concluding paragraph of Section 6.4(4)).
- (b) Except as permitted in Section 6.4(3)(a)(ii) above, no Obligor shall retire, redeem, retract, purchase, or otherwise acquire its Equity Interests except from another Obligor, reduce its stated capital or make any payment of

any kind whatsoever to effect any of the foregoing except to another Obligor.

- (c) No Obligor shall pay any management, consulting or similar fees to any Person (other than to another Obligor), including any such payments to any officer, director or employee of any Obligor or any Related Party of the Obligor, unless:
 - (i) they reflect the fair market value of services actually performed by the payees;
 - (ii) no Default or Event of Default has occurred and is continuing or would result from payment being made;
 - (iii) in respect of payments to officer, directors or employees, they reflect payment of reasonable and not extraordinary compensation (including any bonuses) to officers, directors and employees for services actually rendered in the Ordinary Course; and
 - (iv) during any Excess Cash Flow Distribution Period, in respect of the cash payment of any such management, consulting or similar fees payable to any Related Party of an Obligor, the aggregate amount of any such payments of management, consulting or similar fees, such cash payment does not exceed 100% of the Borrower's Excess Cash Flow determined as of the Excess Cash Flow Determination Date applicable to such Excess Cash Flow Distribution Period (or such lower amount as reduced by payments made pursuant to Section 6.4(4)(a) and Section 6.4(4)(b) and pursuant to the concluding paragraph of Section 6.4(4)).
- (4) Excess Cash Flow – During each Excess Cash Flow Distribution Period, the aggregate amount of:
 - (a) cash payments made by the Borrower in respect of the VTB Notes pursuant to Section 6.4(2)(c)(iii)(4); plus
 - (b) distributions in cash and other cash payments made by the Borrower to its holders of Equity Interests pursuant to Section 6.4(3)(a)(ii); plus

- (c) cash payments made by the Obligors in respect of management, consulting or similar fees pursuant to Section 6.4(3)(c)(iv),

shall not exceed 100% of the Borrower's Excess Cash Flow determined as of the Excess Cash Flow Determination Date applicable to such Excess Cash Flow Distribution Period or such lower amount as is necessary to ensure that, after giving effect to the payments of the foregoing amounts in (a), (b) and (c) above, the Debt Service Coverage Ratio for the Borrower's four (4) most recently completed fiscal quarters (determined as of the applicable Excess Cash Flow Determination Date) is greater than 2.0 to 1.0, as determined by reference to the Compliance Certificate for such Excess Cash Flow Determination Date delivered to the Lender pursuant to Section 6.3(1)(d).

- (5) Financial Assistance No Obligor shall make loans to or acquire Debt of any other Person, guarantee, provide an indemnity in respect of, endorse or otherwise become liable for any debts, liabilities or obligations of any other Person, or give other financial assistance of any kind to any other Person, except for:
 - (a) guarantees and indemnities given as part of the Security;
 - (b) guarantees and indemnities given to the ABL Lender, the Additional IPD Term Lenders, Bridging or the VTB Noteholders (if applicable) provided they are at all times subject to the terms of the ABL Intercreditor Agreement or the Bridging Intercreditor Agreement, as applicable;
 - (c) financial assistance by way of extending trade credit to its customers in the Ordinary Course; and
 - (d) endorsement of negotiable instruments for collection or deposit in the Ordinary Course.
- (6) Capital Expenditures No Obligor shall incur Capital Expenditures in excess of an aggregate of \$5,000,000 for all Obligors in any fiscal year of the Borrower.
- (7) Acquisition of Property No Obligor shall make any Acquisitions, or agree to do so except for, so long as no Default or Event of Default has occurred and is continuing or would result therefrom:

- (a) Property acquired through Capital Expenditures that are permitted under this Agreement;
 - (b) Property acquired through transactions contemplated in the definition of Permitted Liens;
 - (c) acquisitions of inventory in the Ordinary Course; and
 - (d) other Property having an aggregate value of less than \$100,000 for all Obligors in any fiscal year of the Borrower.
- (8) Subsidiaries and Equity Interests No Obligor shall have any Subsidiaries or hold or acquire Equity Interests of any other Person (including any minority interest in a Person) except:
- (a) other Obligors as specified on Schedule B as at the date of the Second Amendment Effective Date, subject to changes permitted under Sections 6.4(13) and 6.4(18), or as otherwise permitted by the Lender in writing;
 - (b) the Equity Interests in any other Person that it owns as at the date of this Agreement as specified in Schedule B;
 - (c) Equity Interests of a Subsidiary that is wholly-owned by the Borrower, directly or indirectly, that is newly established after the date of this Agreement and has no Material Property at the time it is established; and
 - (d) any Equity Interest or Subsidiary resulting from any merger, amalgamation, consolidation, corporate reorganization or other transaction among Obligors permitted under Sections 6.4(13) or 6.4(18).
- (9) Derivative Transactions No Obligor shall enter into any Derivative other than Derivatives that are entered into with the ABL Lender pursuant to the terms of the ABL Credit Agreement as it exists as of the date of this Agreement, it being acknowledged that the prior written consent of the Lender shall be required to any increase in the aggregate amount of "out of the money" exposure (on a mark to market valuation) permitted by the terms of the ABL Credit Agreement (as it exists as of the date of this Agreement) to remain outstanding thereunder.
- (10) Dispositions of Property No Obligor shall sell, lease, sell and lease-back or otherwise dispose of any of its Property or any rights or interests in its Property or agree to do so except for:

- (a) if no Default or Event of Default has occurred and is continuing or would result from such sale, sales in the Ordinary Course of obsolete or redundant equipment having an aggregate fair market value of not more than \$500,000 for all sales by all Obligor in any fiscal year of the Borrower; and
 - (b) sales, leases and other dispositions between Obligor.
- (11) Business No Obligor shall carry on any business except the business carried on by the Obligor at the date of this Agreement as described in Schedule B.
- (12) Arm's Length Transactions No Obligor shall enter into any transaction of any kind with an Affiliate, Associate, or Person of which it is an Associate, except on a commercially reasonable basis as if it were dealing with the Person on an arm's length basis.
- (13) Mergers and Dissolutions No Obligor shall consolidate, amalgamate or merge with any other Person, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing Constating Documents, liquidate, wind-up or dissolve itself, or permit any liquidation, winding-up or dissolution, except in each case for a transaction involving only one or more Obligor if the Borrower gives the Lender reasonable advance notice of the transaction and immediately takes whatever steps and delivers whatever documents (including, if requested by the Lender, opinions of counsel satisfactory to the Lender) are reasonably required to ensure that the Lender's position is not adversely affected as a result. Notwithstanding the foregoing, the Borrower may not liquidate, wind-up or dissolve itself, or permit itself to be liquidated, wound-up or dissolved.
- (14) Changes of Name No Obligor shall change its name without providing the Lender with reasonable advance notice of the change and promptly taking other steps, if any, as the Lender reasonably requests to maintain the Security and the other Loan Documents so that the Lender's position is not adversely affected.
- (15) Changes of Location No Obligor shall permit its chief executive office or any of its tangible Property to be located out of the jurisdictions in which the Security is perfected (except for goods in transit, tangible Property that is less than \$100,000 in the aggregate in any other jurisdiction and goods that are normally used in more than one jurisdiction if the latter goods are equipment or are inventory leased or held for lease by it) without providing the Lender with

reasonable advance notice of the change and promptly taking other steps, if any, as the Lender reasonably requests to maintain the Security and the other Loan Documents so that the Lender's position is not adversely affected.

- (16) Change of Year End No Obligor shall change its fiscal year end (being December 31 for the Borrower), except that Obligors that have a different fiscal year end may change it to December 31.
- (17) Change of Auditors No Obligor shall change its auditors, unless an internationally recognized accounting firm is appointed.
- (18) Change of Senior Management The Borrower shall not change (or permit any change in) its Chief Executive Officer, President or Chief Financial Officer; provided that if any such Person holding such office has either died or is disabled and can therefore no longer carry on his or her duties of such office, or voluntarily resigns as an officer of the Borrower, the Borrower shall have sixty (60) days to replace such officer, such replacement officer to be satisfactory to the Lender, acting reasonably.
- (19) Material Contracts
 - (a) No Obligor shall assign (except to another Obligor or as part of the Security) or terminate any Material Contract (except at the expiry of its term by lapse of time) or accept the surrender of any Material Contract to which it is a party.
 - (b) No Obligor shall cause or permit any Material amendment or Material modification to, grant any Material waiver of any Material term of, or grant any Material consent or Material concession under, any Material Contract to which it is a party.
 - (c) No Obligor shall cause or permit any amendment or modification to any Material Contract without notifying the Lender of the amendment or modification.
- (20) ABL Credit Agreement, Bridging Facility Agreement, Additional IPD Term Credit Agreements and VTB Notes No Obligor shall cause or permit any amendment or modification to, grant any waiver of any term of, or grant any consent or concession under the ABL Credit Agreement, the Additional IPD Term Credit Agreements, the Bridging Facility Agreement or the VTB Notes except as

otherwise permitted pursuant to the terms of the Bridging Intercreditor Agreement or the ABL Intercreditor Agreement, as applicable.

- (21) Intragroup Obligations No Obligor shall cause or permit any Material amendment or Material modification to the terms of the Intragroup Obligations, grant any Material waiver of any term of the Intragroup Obligations, or grant any Material consent or Material concession in connection with the Intragroup Obligations.
- (22) Restrictive Agreements No Obligor shall enter into any Contract restricting (a) the ability of any Obligor to comply with the Loan Documents, including by creating or causing the creation of Liens to secure payment of the Obligations and other debts, liabilities and obligations to the Lender, (b) the ability of any Obligor to amend, supplement, restate or replace any Loan Document, or (c) the ability of any Obligor to make payments of any kind to any other Obligor.
- (23) KYC Laws No Obligor shall, nor shall any broker or other agent acting for an Obligor in any capacity in connection with the Credit, (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in Section 5.1(32), or (ii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any prohibition in any KYC Law.
- (24) DB Pension Plan The Borrower (i) will not, and will not permit any Obligor to, create a new DB Pension Plan, and (ii) will not, and will not permit any Obligor to, incur, assume or permit to exist any liability or contingent liability, either directly or indirectly, in respect of a DB Pension Plan which the Borrower or the Obligor does not already maintain or contribute to and which does not appear on Schedule I.
- (25) Restriction on Advances under the ABL Credit Agreement The Borrower will not request any advance under the ABL Credit Agreement, irrespective of whether it has satisfied all conditions precedent to such advance and is otherwise permitted to the Borrower under the ABL Credit Agreement, if such advance would result in a breach of the financial covenant set out in Section 6.1(4).
- (26) Thistle Special Bonus Payments No obligor shall be permitted to pay any Thistle Special Bonus Payment if at the time of payment (i) a Default or Event of Default has occurred and is continuing or would result therefrom or (ii) there is a reasonable expectation that the Borrower will not be in compliance with the

minimum Debt Service Coverage Ratio specified in Section 6.1(2) at the end of its current fiscal quarter or was not in compliance with such financial covenant at the end of its immediately preceding fiscal quarter if it has not yet delivered its Compliance Certificate for that quarter.

6.5 Use of Insurance Proceeds

- (1) Unless otherwise specified in this Section 6.5 and subject to the terms of the ABL Intercreditor Agreement and the Bridging Intercreditor Agreement, all proceeds of insurance required to be maintained by the Obligors under the terms of this Agreement shall be paid to the Lender to be applied by it on account of the Obligations.
- (2) Proceeds of liability insurance shall be paid to the Person to whom the affected Obligor is liable. Proceeds of insurance covering loss of or damage to Property in an amount of less than \$1,000,000 per claim may be paid by the insurer directly to the affected Obligor unless, if a Default has occurred and is continuing, the Lender requires that payment be made to the Lender to be applied by it on account of the Obligations. Subject to the rights of any holder of a Permitted Lien that has priority over the Security, proceeds paid to an Obligor shall be used to fully repair or replace the property for which the insurance proceeds are payable or, if that is not prudent, shall be paid by the affected Obligor to the Lender to reduce the principal amount of the Obligations.
- (3) Subject to the rights of any holder of a Permitted Lien that has priority over the Security, proceeds of insurance covering loss of or damage to Property in an amount of \$1,000,000 per claim or more shall be paid to the Lender and shall be disbursed by the Lender to the affected Obligor on conditions appropriate to a construction credit, to fund the repair or replacement of the Property for which the insurance proceeds are payable, provided that:
 - (a) No Default (including one relating to Material Adverse Effect) has occurred and is continuing; and
 - (b) the Lender is satisfied, acting reasonably, that the proceeds of the insurance together with other resources available to the affected Obligor (the use of which would not contravene this Agreement) are sufficient to fully repair or replace the property for which the insurance proceeds are payable within the remaining term of the then-outstanding Credit or

within 365 days, or within such other time period agreed to by the Lender, acting reasonably.

- (4) The proceeds of business interruption insurance shall be paid to the Lender to be applied by it on account of the Obligations as they fall due from time to time (including as a result of any demand for payment of the Obligations) and, to the extent of any surplus, may be used to carry on the business of the Obligors as long as the Lender is satisfied, acting reasonably, that adequate provision has been made for payment of the Obligations.
- (5) All insurance proceeds held by the Lender shall, unless and until the proceeds are applied to payment of the Obligations or released to the affected Obligor, be held as part of the Security. The Lender shall place all proceeds in an interest-bearing account with the interest accruing to the benefit of the affected Obligor.

6.6 Intragroup Obligations

- (1) If and for as long as an Event of Default has occurred and is continuing, or would result from payment of Intragroup Obligations by one Obligor to another Obligor, payment of Intragroup Obligations is hereby postponed to the indefeasible payment in full in cash of the Obligations, and:
 - (a) any Obligor that is indebted to another Obligor shall neither make nor be entitled to make, and any Obligor to whom the Intragroup Obligations are owed shall not receive or be entitled to receive, any payment, prepayment or other compensation in respect of the Intragroup Obligations, and if an Obligor to whom the Intragroup Obligations are owed receives any payment, prepayment or other compensation in respect of the Intragroup Obligations contrary to this Section 6.6(1), the payment, prepayment or compensation shall be held by the recipient Obligor in trust for the Lender, separate and apart from its own property, and shall be immediately paid over to the Lender for application to the Obligations; and
 - (b) no Obligor to whom Intragroup Obligations are owed shall be entitled to accelerate the time for payment of the Intragroup Obligations, petition the indebted Obligor into bankruptcy or participate in any bankruptcy proceeding of the indebted Obligor, initiate or participate in any similar proceeding (including a proceeding in respect of the indebted Obligor under the *Companies' Creditors Arrangement Act* (Canada)), or initiate or

participate in any proceeding claiming judgment for payment or performance of any of those Intragroup Obligations.

- (2) At any time prior to the occurrence of an Event of Default, Obligors shall be permitted to make payments of principal and interest on any Intragroup Obligations in accordance with Sections 6.4(2)(c)(iii)(1) and 6.4(3)
- (3) Each Obligor acknowledges that, under the terms of the Security it has given, all Intragroup Obligations owing to it are assigned as security to the Lender. Upon any Obligations becoming due and payable under Section 7.2, the Lender may terminate the postponements in Section 6.6(1) as to any or all Intragroup Obligations, in which case those Intragroup Obligations shall be paid to the Lender or as it directs free of any set off, counterclaim, defence or other right that the Obligors, or any of them, owing Intragroup Obligations may assert against the Persons, or any of them, to whom Intragroup Obligations are owed.
- (4) Nothing in this Section 6.6 that contemplates the existence of Intragroup Obligations shall in any way modify any restriction on their existence elsewhere in this Agreement.

ARTICLE 7 DEFAULT

7.1 Default

Each of the following events shall constitute an Event of Default under this Agreement:

- (a) the Borrower fails to pay or provide for any amount of principal and interest when due; or
- (b) the Borrower fails to pay any other Obligations within three (3) Business Days of when due; or
- (c) the Borrower or any other Obligor makes any representation, warranty or certification under any of the Loan Documents that is incorrect, incomplete or misleading when made or deemed to be made that is not, if capable of being corrected or remedied, corrected or remedied within 30 days of being made or deemed to be made; or
- (d) there is a breach of Sections 6.1, 6.3(2)(a) or 6.4;

- (e) there is a breach of Section 6.3(1) that is not corrected or otherwise satisfied within ten (10) days after the Lender gives written notice of the breach; or
- (f) an event of default occurs under the ABL Credit Agreement or any other event or circumstance occurs under or in connection with or pursuant to the terms of the ABL Facility, if the effect is to cause or permit the acceleration of the due date of the ABL Facility (whether or not acceleration actually occurs) or to require the prepayment, repurchase, redemption or defeasance of the ABL Facility before its scheduled maturity, or an Obligor fails to pay the ABL Facility when due; or
- (g) an event of default occurs under the Bridging Facility Agreement or any other event or circumstance occurs under or in connection with or pursuant to the terms of the Bridging Debt, if the effect is to cause or permit the acceleration of the due date of the Bridging Debt (whether or not acceleration actually occurs) or to require the prepayment, repurchase, redemption or defeasance of the Bridging Debt before its scheduled maturity, or an Obligor fails to pay the Bridging Debt when due; or
- (h) an event of default or other event or circumstance occurs in connection with Debt (other than the Obligations or the ABL Facility) of any Obligor in an aggregate amount of \$1,000,000 or more, if the effect is to cause or permit the acceleration of the due date of that Debt (whether or not acceleration actually occurs) or to require the prepayment, repurchase, redemption or defeasance of that Debt before its scheduled maturity, or an Obligor fails to pay any such Debt when due; or
- (i) (i) any Person or Persons acting together shall at any time own or control, directly or indirectly, at least 20% of the outstanding Equity Interests in the Borrower (calculated on a fully diluted basis after taking into account any conversion rights assuming such conversion has actually occurred), or (ii) the Borrower does not, or ceases to, own and control, directly or indirectly, 100% of the voting shares of each Guarantor, or does not, or ceases to, have the right, directly or indirectly, to appoint a majority of the board of directors of the Guarantors; or

- (j) the first day on which a majority of the members of the board of directors of the Borrower are not Continuing Directors where “**Continuing Directors**” means, as of any date of determination, any member of the board of directors of the Borrower who: (i) was a member of such board of directors on the date of this Agreement; (ii) was a replacement of a director who has either (A) died, or (B) ceased to be qualified as a director under the *Business Corporations Act* (Ontario); or (iii) was nominated for election, or appointed, to such board of directors with the approval of a majority of the Continuing Directors who were members of such board of directors at the time of such nomination or election; or
- (k) an Obligor or any other party to a Loan Document denies its obligations under any Loan Document or claims any Loan Document to be invalid, unenforceable or withdrawn in whole or in part, including by purporting to terminate any guarantee or indemnity forming part of the Security; or
- (l) the performance of any Loan Document becomes unlawful, any Loan Document is invalidated or made unenforceable by any Applicable Law, or any Loan Document is determined to be invalid or unenforceable by any Governmental Authority, in each case in whole or in any Material part; or
- (m) any Lien purported to be created by the Security ceases to be, or is claimed by any Obligor or any other Person providing Security not to be, a valid, perfected Lien in the collateral described in the relevant document, having first priority but for Permitted Liens, except as a result of being released by the Lender in accordance with this Agreement; or
- (n) an Obligor does not, is unable to, or admits its inability to meet or pay its obligations as they generally become due, ceases or threatens to cease to carry on its business (except as expressly permitted in this Agreement), declares any moratorium on its obligations, proposes a compromise or arrangement between it and any creditor, or otherwise becomes insolvent; or
- (o) an Obligor makes an assignment in bankruptcy, makes a proposal to its creditors or files notice of its intention to do so, institutes any other proceeding under Applicable Law seeking to adjudicate it a bankrupt or an insolvent, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection,

moratorium, relief, stay of proceedings of creditors, composition of it or its debts or any other similar relief; or

- (p) an Obligor applies for the appointment of, or the taking of possession by, a receiver, interim receiver, receiver/manager, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official for it or a substantial part of its Property; or
- (q) any petition is filed, application made or other proceeding instituted against or in respect of any Obligor or any other Person providing Security in any jurisdiction seeking any of the results described in Sections 7.1(o) and 7.1(p), and the Obligor or other Person files an answer admitting the material allegations made against it or fails to defend the proceeding diligently and in good faith by appropriate proceedings, or the relief sought in the proceeding is granted (whether or not subject to appeal), or the proceeding is not dismissed or stayed within 30 days of being instituted; or
- (r) one or more final judgments, writs of execution, garnishments or attachments or similar processes are issued or levied against any Property of the Obligors in an amount in excess of \$500,000 and are not released, bonded, satisfied, discharged, vacated, stayed or accepted for payment by an insurer within 10 days after their entry, commencement or levy; or
- (s) possession of Material Property of an Obligor is taken by or at the instance of the holder of a Lien, whether by seizure, appointment of a receiver or receiver and manager, or otherwise; or
- (t) an event or circumstance occurs that has a Material Adverse Effect, as determined by the Lender in good faith and on commercially reasonable grounds, it being acknowledged by the parties that a loss by the Borrower of a customer that contributes at least 25% of the Borrower's consolidated revenues in any fiscal year shall constitute a Material Adverse Effect; or
- (u) the audited annual financial statements of the Borrower are qualified by the auditors with a "going concern" or similar qualification or exception; or

- (v) there is a breach of any other provision of any Loan Document (other than a breach that is specifically dealt with elsewhere in this Section 7.1) that is not corrected or otherwise satisfied within twenty (20) days after the Borrower learns of the breach or the Lender gives written notice of the breach, whichever is earlier; or
- (w) any Material Permit expires or is withdrawn, cancelled, terminated, or modified to the Material detriment of the Obligors or their Property or businesses taken as a whole, and is not reinstated or replaced within 15 days afterwards without Material impairment to the Obligors or their Property or businesses taken as a whole;
- (x) a default by an Obligor or any other party to any Material Contract occurs, or any other event occurs under any Material Contract, and continues without being waived after any applicable grace period specified in the Material Contract, if the effect of the default or other event (if not waived) is to terminate, or permit the termination of, the Material Contract or if the default or other event results in a declaration of nonperformance being issued or similar step being taken with respect to an Obligor and, where the default is not by an Obligor, the termination or similar step would have a Material Adverse Effect; or
- (y) any default (other than a default that is specifically dealt with elsewhere in this Section 7.1) arising from non-payment of any amount owing occurs (and continues following any grace period) under any agreement under which any other debt, liability or obligation owing by any Obligor to the Lender arises and such default is not corrected or otherwise satisfied within 30 days of its occurrence.
- (z) an event of default occurs under any Additional IPD Term Credit Agreement or in respect of the VTB Notes or any other event or circumstance occurs under or in connection with or pursuant to the terms of any Additional IPD Term Debt or in respect of the VTB Notes, if the effect is to cause or permit the acceleration of the due date of any Additional IPD Term Debt or the VTB Notes (whether or not acceleration actually occurs) or to require the prepayment, repurchase, redemption or defeasance of any Additional IPD Term Debt or the VTB Notes before their respective scheduled maturities, or an Obligor fails to pay any Additional IPD Term Debt or the VTB Notes when due.

7.2 Acceleration and Termination of Rights

- (1) If any Event of Default occurs, the Lender may in its discretion give notice to the Borrower declaring the Obligations or any of them to be due and payable, in which case they shall be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are expressly waived by the Borrower.
- (2) Notwithstanding Section 7.2(1), upon the occurrence of an Event of Default in Sections 7.1(n), 7.1(o), 7.1(p) or 7.1(q), then without prejudice to the other rights of the Lender, without any notice or action of any kind by the Lender, and without presentment, demand or protest, the Lender's obligation to make Advances shall immediately terminate and the Obligations shall immediately become due and payable.

7.3 Remedies

On the occurrence of any event by which any of the Obligations become due and payable under Section 7.2, the Security shall become immediately enforceable and the Lender may take any action or proceedings in compliance with Applicable Law that the Lender in its sole discretion deems expedient to enforce the Security, all without any additional notice, presentment, demand, protest or other formality, all of which are expressly waived by the Obligors.

7.4 Interest After Stay of Proceedings

If a stay of proceedings is obtained or ordered in respect of the Borrower under the provisions of *the Bankruptcy and Insolvency Act (Canada)* or the *Companies' Creditors Arrangement Act (Canada)*, then without prejudice to the Lender's rights to contest the stay, the Borrower agrees to continue to pay interest and fees on all amounts due to the Lender in accordance with this Agreement.

7.5 Saving

The Lender shall not be under any obligation to the Obligors or any other Person to realize any collateral that is subject to the Security or enforce all or any part of the Security or to allow any of the collateral to be sold, dealt with or

otherwise disposed of. The Lender 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 Security or any part of it, the failure to allow any of the collateral to be sold, dealt with or otherwise disposed of or 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 the Lender may be responsible or liable for any loss or damage arising from its wilful misconduct or gross negligence.

7.6 Perform Obligations

If an Event of Default has occurred and is continuing and if any Obligor has failed to perform any of its covenants or agreements in the Loan Documents, the Lender may, but shall be under no obligation to, perform any of those covenants or agreements in any manner deemed fit by the Lender without waiving any rights to enforce the Loan Documents as a result. The reasonable expenses (including any legal costs) paid by the Lender in respect of the foregoing shall be secured by the Security.

7.7 Third Parties

No Person dealing with the Lender or any Representative of the Lender is required to determine (a) whether the Security has become enforceable, the powers that the Lender or the Representative are purporting to exercise have become exercisable, or any Obligations remain outstanding, (b) as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, (c) otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the collateral charged by the Security or any part of it, or (d) how any payment to the Lender or any Representative has been or will be applied. Any Person who acquires collateral charged by the Security from the Lender or any Representative in good faith will acquire it free from any interest of the Obligors.

7.8 Power of Attorney

Effective upon occurrence of an Event of Default, each Obligor irrevocably constitutes and appoints any managing director or more senior officer of the Lender its due and lawful attorney with full power of substitution in its name and on its behalf, during the continuance of an Event of Default, to enforce any right, title or interest of the Lender in, to or under all or any part of the Security

or any obligation to that Obligor or remedy available to that Obligor. This appointment is irrevocable to the maximum extent permitted by Applicable Law.

7.9 Remedies Cumulative

The rights and remedies of the Lender under the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by Applicable Law. Any single or partial exercise by the Lender of any right or remedy for a default or breach of any agreement, term, covenant or condition in 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 the Lender may be lawfully entitled for the same default or breach. Any waiver by the Lender of the strict observance, performance or compliance with any agreement, term, covenant or condition in this Agreement and any indulgence granted by the Lender shall be deemed not to be a waiver of any subsequent default.

7.10 Set-Off or Compensation

If an Event of Default has occurred and is continuing, the Lender and each of its Affiliates is 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 the Lender or its Affiliate to or for the credit or the account of any Obligor against any and all of the Obligations, irrespective of whether or not the Lender has made any demand under this Agreement or any other Loan Document and although the obligations of the Obligor may be contingent or unmatured or are owed to a branch or office of the Lender different from the branch or office holding the deposit or obligated to an Obligor. The rights of the Lender and its Affiliates under this Section 7.10 are in addition to other rights and remedies (including other rights of set-off, consolidation of accounts and bankers' lien) that the Lender or its Affiliates may have. The Lender agrees to promptly notify the Borrower after any set-off and application, but the failure to do so shall not affect the validity of the set-off and application.

ARTICLE 8
DETAILS REGARDING ADVANCES, PAYMENTS, INTEREST AND FEES

8.1 Evidence of Indebtedness

The Lender shall maintain records concerning the Obligations and the Advances it has made. The records maintained by the Lender shall constitute prima facie evidence of the Obligations and all related details. The failure of the Lender to correctly record any detail relating to an Advance shall not, however, adversely affect the obligation of the Borrower to pay any of the Obligations in accordance with this Agreement.

8.2 Calculation and Other Matters Regarding Interest and Fees

(1) Interest on the Advance shall be payable in arrears in accordance with Section 2.5. If interest is not paid on the date it is due, the principal amount shall continue to bear interest at a rate per annum equal to the Interest Rate plus 2 %, both before and after maturity, default and judgment, and overdue interest shall bear interest at the same rate, compounded monthly, and be payable on demand.

(2) The Borrower acknowledges that:

(a) the rates of interest mentioned in the Loan Documents are nominal rates unless otherwise expressly stated, and do not give effect to the principle of deemed reinvestment;

(b) a nominal rate used by the Lender can be converted to a rate calculated half- yearly, not in advance, using the following formula:

$$x = (y/12 + 1) \text{ to the sixth power, minus } 1, \text{ times } 2$$

where x is the half-yearly rate and y is the nominal rate used by the Lender, in each case expressed as a decimal fraction, e.g. 6.95% = 0.0695

(c) this Section 8.2(2) provides sufficient compliance regarding the Loan Documents for all purposes of the *Interest Act* (Canada), to the extent that Act applies.

- (3) If an Obligor fails to pay when due any amount payable under any Loan Document for which interest is not otherwise provided in this Agreement or another relevant Loan Document, that Obligor shall, on demand, pay interest on the overdue amount to the Lender from and including the due date up to but excluding the date of actual payment, both before and after demand, default or judgment, at a rate per annum equal to the Interest Rate plus 2 %, compounded monthly.
- (4) The Parties intend to comply with Applicable Law relating to usury. Notwithstanding any other provision of this Agreement or any other Loan Document, in no event shall any Loan Document require the payment or permit the collection of interest or other amounts in an amount or at a rate in excess of the amount or rate that is permitted by Applicable Law or in an amount or at a rate that would result in the receipt by the Lender of interest at a criminal rate, as the terms "interest" and "criminal rate" are defined under the Criminal Code (Canada). Where more than one Applicable Law applies to any Obligor, that Obligor shall not be obliged to make payment in an amount or at a rate higher than the lowest permitted amount or rate. If from any circumstance whatever, fulfilment of any provision of any Loan Document would result in exceeding the highest rate or amount permitted by Applicable Law for the collection or charging of interest, the obligation to be fulfilled shall be reduced to reflect the highest permitted rate or amount. If from any circumstance the Lender shall ever receive anything of value as interest or deemed interest under any Loan Document that would result in exceeding the highest lawful rate or amount of interest permitted by Applicable Law, the amount that would be excessive interest shall be applied to the reduction of the principal amount of the Credit, and not to the payment of interest, or if the excessive interest exceeds the unpaid principal balance of the Credit, the amount exceeding the unpaid balance shall be refunded to the Borrower. In determining whether or not the interest paid or payable under any specified contingency exceeds the highest lawful rate, the Obligors and the Lender shall, to the maximum extent permitted by Applicable Law, (i) characterize any non-principal payment as an expense, fee or premium rather than as interest, (ii) exclude voluntary prepayments and their effects, (iii) amortize, prorate, allocate and spread the total amount of interest throughout the term of the Credit so that interest does not exceed the maximum amount permitted by Applicable Law, and/or (iv) allocate interest between portions of the Obligations to the end that no portion shall bear interest at a rate greater than that permitted by Applicable Law. For the

purposes of the Criminal Code (Canada), the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles and if there is any dispute, the determination of a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall be conclusive.

8.3 Payments

Payments by the Borrower must be made to the Lender at the Branch of Account before 1:00 p.m. on the date for payment. If a payment is not made by that time, it shall be deemed to have been made on the next Business Day, unless the Lender agrees, in its sole discretion, to accept the payment at a later time as being effective on the date it is made.

8.4 Increased Costs Etc.

(1) If any Change in Law from time to time 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, the Lender;
- (b) subject the Lender to any Tax of any kind whatsoever with respect to this Agreement or any Advance made by it, or change the basis of taxation of payments to the Lender in respect of this Agreement or any Advance, except for (i) Indemnified Taxes or Other Taxes covered by Section 8.5 and (ii) the imposition, or any change in the rate, of any Excluded Tax payable by the Lender; or
- (c) impose on the Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or any Advance made by the Lender;

and the result of any of the foregoing shall be to increase the cost to the Lender of making or maintaining any Advance (or of maintaining its obligation to make any Advance), or to reduce the amount of any sum received or receivable by the Lender under this Agreement (whether of principal, interest or any other amount), then upon request of the Lender from time to time the Borrower will pay to the Lender an additional amount or amounts that will compensate the Lender for the additional costs incurred or reduction suffered.

- (2) If the Lender determines in its sole and absolute discretion that any Change in Law affecting the Lender or any lending office of the Lender or its holding company (or other Controlling Person), if any, regarding capital requirements has or would have the effect of reducing the rate of return on the Lender's capital or on the capital of its holding company (or other Controlling Person), if any, as a consequence of this Agreement or the Advance made by the Lender, to a level below that which the Lender or its holding company (or other Controlling Person) could have achieved but for that Change in Law (taking into consideration the Lender's policies and the policies of its holding company (or other Controlling Person) with respect to capital adequacy, each from time to time), then from time to time the Borrower will pay to the Lender an additional amount or amounts that will compensate the Lender or its holding company (or other Controlling Person) for the reduction suffered.
- (3) A certificate of the Lender specifying the amount or amounts necessary to compensate the Lender or its holding company (or other Controlling Person), as the case may be, as specified in this Section 8.4, including reasonable detail of the basis of calculation of the amount or amounts determined based on methods of averaging and attribution in its sole and absolute discretion, and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay the Lender the amount shown as due on any such certificate within 10 days after receipt of the certificate.
- (4) Failure or delay on the part of the Lender to demand compensation pursuant to this Section 8.4 shall not constitute a waiver of the Lender's right to demand compensation, except that the Borrower shall not be required to compensate the Lender pursuant to this Section 8.4 for any increased costs incurred or reductions suffered more than nine months before the date that the Lender notifies the Borrower of the Change in Law giving rise to the increased costs or reductions and of the Lender's intention to claim compensation, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the nine month period referred to above shall be extended to include the period of retroactive effect.

8.5 Taxes

- (1) If any Obligor or the Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of an Obligor under any Loan Document, then (i)

the sum payable shall be increased by that Obligor when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section 8.5(1)) the Lender receives an amount equal to the sum it would have received had no deductions or payments been required, (ii) the Obligor shall make any deductions required to be made by it under Applicable Law and (iii) the Obligor shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.

- (2) Without limiting the provisions of Section 8.5(1), the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.
- (3) The Borrower shall indemnify the Lender, within 10 days after demand, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 8.5) payable or paid by the Lender or required to be withheld or deducted from a payment to the Lender and any penalties, interest and reasonable expenses arising from or with respect to the Indemnified Taxes or Other Taxes, whether or not they were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of the payment or liability delivered to the Borrower by the Lender shall be conclusive absent manifest error.
- (4) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Obligor shall deliver to the Lender the original or a certified copy of a receipt issued by the Governmental Authority evidencing payment, a copy of the return reporting the payment or other evidence of the payment reasonably satisfactory to the Lender.
- (5) If the Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other 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 8.5 or that, because of the payment of those Taxes or Other Taxes, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall pay to the Obligor an amount equal to the refund or reduction (but only to the extent of indemnity payments made, or additional amounts paid, by the Obligor under this Section 8.5 with respect to the Taxes or Other Taxes giving

rise to the refund or reduction), net of all out-of-pocket expenses of the Lender and without interest (other than any net after-Tax interest paid by the relevant Governmental Authority with respect to the refund). The Obligor upon the request of the 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 Lender if the Lender is required to repay the refund or reduction to the Governmental Authority. This Section 8.5 shall not be construed to require the 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. Notwithstanding anything to the contrary in this Section 8.5(5), in no event will the Lender be required to pay any amount to an Obligor pursuant to this Section 8.5(5) the payment of which would place the Lender in a less favourable net after-Tax position than the Lender would have been in if the Tax subject to indemnification and giving rise to such refund or reduction had not been deducted, withheld or otherwise imposed.

8.6 Mitigation Obligation

If the Lender requests compensation under Section 8.4, or requires the Borrower to pay any additional amount to the Lender or any Governmental Authority for the account of the Lender pursuant to Section 8.5, then the Lender shall use reasonable efforts to designate a different lending office for funding or booking its Advances or to assign its rights and obligations under this Agreement to another of its offices, branches or Affiliates, if, in the judgment of the Lender, doing so (i) would eliminate or reduce amounts payable pursuant to Section 8.4 or 8.5, as the case may be, in the future and (ii) would not subject the Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to the Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by the Lender in connection with any such designation or assignment.

8.7 Illegality

If the Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Lender or its applicable lending office to make or maintain the Advance (or to maintain its obligation to make the Advance), or to determine or charge interest rates based upon any particular rate, then, on notice by the Lender to the Borrower, any

obligation of the Lender with respect to the activity that is unlawful shall be suspended until the Lender notifies the Borrower that the circumstances giving rise to that determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from the Lender, prepay the Advance in order to avoid the activity that is unlawful. Upon any such prepayment, the Borrower shall also pay accrued interest on the amount so prepaid, but not the prepayment premium described in Section 2.4(3). The Lender agrees to designate a different lending office if doing so will avoid the need for that notice and will not, in the good faith judgment of the Lender, otherwise be materially disadvantageous to the Lender.

ARTICLE 9 MISCELLANEOUS PROVISIONS

9.1 Successors and Assigns

- (1) The Loan Documents shall be binding upon and enure to the benefit of the Lender, the Obligors and their successors and assigns, except that the Obligors shall not assign any rights or obligations with respect to this Agreement or any of the other Loan Documents without the prior written consent of the Lender.
- (2) Any assignment by the Lender shall become effective when the Borrower has been notified of the assignment, the Borrower has consented in writing to the assignment (unless a Default has occurred and is continuing, in which case no consent is required) and the assignee has given an undertaking to the Obligors to be bound by this Agreement and to perform all of the obligations assigned to it. Any assignee shall be treated as if it were the Lender, shall be entitled to the benefit of the Loan Documents and shall be subject to the obligations of the Lender as if it were an original signatory to this Agreement, in each case to the extent of the rights and obligations assigned to it. The Lender shall be released and discharged of the obligations it has assigned.
- (3) Following any assignment by the Lender of one or more partial interests in the Lender's rights and obligations under this Agreement (with the result that there is more than one lender under this Agreement), the Lender and the assignee(s) may establish by agreement among themselves such procedures, including the appointment of an agent, as they may consider necessary or desirable to facilitate the ongoing administration of the Loan Documents. Any such procedures that are communicated to the Borrower shall be binding on the

Obligors, and the Obligors shall also execute such documents as may reasonably be required to adapt the Loan Documents to fully protect the interests of the Lender and the assignee(s).

9.2 Severability, Etc.

If, in any jurisdiction, any provision of any Loan Document or its application to any circumstance is restricted, prohibited or unenforceable, that provision shall, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of the affected Loan Document, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to other circumstances.

9.3 Amendment, Supplement or Waiver

No amendment, supplement or waiver of any provision of any Loan Document, nor any consent to any departure by an Obligor from any provision, shall in any event be effective unless it is in writing, makes express reference to the affected provision and is signed by the Lender. It shall be effective only in the specific instance and for the specific purpose for which it is given. No waiver or act or omission of the Lender shall extend to or be taken in any way to affect any subsequent Default or other matter or their resulting rights.

9.4 Governing Law and Agent for Service

- (1) Each of the Loan Documents, except for those that expressly provide otherwise, and any Dispute (whether in contract, tort or otherwise) based upon, arising out of or relating to any Loan Document, except for those that expressly provide otherwise, shall for all purposes be governed by and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in Ontario. Each Obligor irrevocably and unconditionally (a) agrees that it will not commence any litigation or other proceeding against the Lender or its Related Parties relating to any Dispute (whether in contract, tort or otherwise) based upon, arising out of or relating to any Loan Document in any forum other than the courts of the Province of Ontario and (b) submits, for itself and its Property, to the exclusive jurisdiction of the courts of the Province of Ontario, and any appellate court from any of those courts, in any litigation or other proceeding based upon, arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each party

irrevocably and unconditionally agrees that all claims in respect of any such litigation or other proceeding may be heard and determined in those courts. Each party 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 Applicable Law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Lender may otherwise have to bring any litigation or other proceeding relating to this Agreement or any other Loan Document against any Obligor or its Property in the courts of any jurisdiction. Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or in the future have to the laying of venue of any litigation or other proceeding arising out of or relating to this Agreement or any other Loan Document in any court of the Province of Ontario. Each party hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defence of an inconvenient forum to the maintenance of litigation or other proceedings in any such court.

- (2) Each Obligor other than the Borrower hereby nominates, constitutes and appoints the Borrower as its agent for service, to act as such and as such to sue and be sued, plead and be impleaded in any court in Ontario. This appointment shall be irrevocable without the written appointment of a substitute agent in Ontario acceptable to the Lender. Service on the Borrower (or a substitute agent) of process or of papers and notices relating to proceedings in any court in Ontario shall be sufficient service on all Obligors.

9.5 Waiver of Jury Trial, Consequential Damages Etc.

- (1) Each party 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 any Loan Document or the transactions contemplated by it (whether based on contract, tort or any other theory).
- (2) 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, any Loan Document or any agreement or instrument contemplated by it (or any breach of it), the transactions contemplated by the Loan Documents, any

Advance or the use of its proceeds other than claims arising as a result of the gross negligence or wilful misconduct of any Indemnatee. No Indemnatee 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 the Loan Documents or the transactions contemplated by them other than as a result of its gross negligence or wilful misconduct.

- (3) Each Obligor agrees that the Lender shall have no liability to it in relation to any due diligence investigations conducted by the Lender in connection with the transactions contemplated by the Loan Documents or be under any obligation whatsoever to disclose to it any information received or facts disclosed by any investigations. Each Obligor also agrees that it is not relying, will not rely, and will not be deemed, in any respect whatsoever, to have relied upon the facts received by and information disclosed to the Lender under or in connection with due diligence investigations.
- (4) Each party (a) certifies that no Representative of any other person has represented, expressly or otherwise, that the other person would not, in the event of litigation, seek to enforce the foregoing waivers and (b) acknowledges that it and the other parties have been induced to enter into the Loan Documents by, among other things, the waivers and certifications in this Section 9.5.

9.6 Expenses and Indemnity

- (1) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Lender and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Lender, in connection with the preparation, negotiation, execution, delivery and administration of the Loan Documents or any amendments, modifications or waivers of their provisions (whether or not the transactions contemplated by them are consummated) and (ii) all reasonable out-of-pocket expenses incurred by the Lender, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section 9.6(1), or in connection with Advances, including those incurred during any workout, restructuring or negotiations in respect of the Obligations. Without limiting the foregoing, the Borrower shall promptly pay all

invoices issued by legal counsel to the Lender and the Lender may debit any account maintained by the Borrower with the Lender to pay invoices.

- (2) The Borrower shall indemnify the Lender and each Related Party of the Lender (each of whom is 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 Obligor or other Person (except an Indemnitee) arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated by it, the performance or non-performance by the Parties of their respective obligations under any Loan Document or the consummation or non-consummation of the transactions contemplated by the Loan Documents, (ii) any Advance or the use or proposed use of its proceeds, (iii) any actual or alleged presence or release, spill, leakage, emission, deposit, discharge, leaching, migration or disposition of any Hazardous Material on or from any Property owned or operated by any Obligor, or any related remedial action taken by the Lender, or any breach of Applicable Law with respect thereto that is related in any way to any Obligor (including the assertion of any Lien under Applicable Law), 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 to it, provided that the indemnity shall not, as to any Indemnitee, be available to the extent that its losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from its gross negligence or wilful misconduct or (y) result from a claim brought by an Obligor against an Indemnitee for breach in bad faith of that Indemnitee’s obligations under any Loan Document, if the Obligor has obtained a final and non-appealable judgment in its favour on that claim as determined by a court of competent jurisdiction, nor shall it be available in respect of matters specifically addressed in Sections 8.4, 8.5 and 9.6(1).
- (3) All amounts due under this Section 9.6 shall be payable promptly after demand. A certificate of the Lender specifying the amount or amounts owing to the Lender or Related Party of the Lender, as the case may be, as specified in this Section 9.6, including reasonable detail of the basis of calculation of the amount

or amounts, and delivered to the Borrower shall be conclusive absent manifest error.

9.7 Currency

All payments made under this Agreement shall be made in the currency in which the obligation requiring payment arose. Unless the context otherwise requires, all amounts expressed in this Agreement in terms of money shall refer to Canadian Dollars. Except as otherwise expressly provided in this Agreement, wherever this Agreement contemplates or requires the calculation of the equivalent in one currency of an amount expressed in another currency for a purpose that does not involve the actual purchase of currency, the calculation shall be made on the basis of the noon spot rate of the Bank of Canada on the effective date of the calculation.

9.8 Currency Indemnity

If a judgment or order is rendered by any court or tribunal for the payment of any amount owing to the Lender under any Loan Document or for the payment of damages in respect of any breach of any Loan Document, or under or in respect of a judgment or order of another court or tribunal for the payment of those amounts or damages, and the judgment or order is expressed in a currency (the "**Judgment Currency**") except the currency payable under the relevant Loan Document (the "**Agreed Currency**"), the party against whom the judgment or order is made shall indemnify and hold the Lender harmless against any deficiency in terms of the Agreed Currency in the amounts received by the Lender arising or resulting from any variation as between (a) the actual rate of exchange at which the Agreed Currency is converted into the Judgment Currency for the purposes of the judgment or order, and (b) the actual rate of exchange at which the Lender is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by the Lender on the date of receipt. The indemnity in this Section 9.8 shall constitute a separate and independent obligation from the other obligations of the Obligors under the Loan Documents, shall apply irrespective of any indulgence granted by the Lender and shall be secured by the Security.

9.9 Notices

- (1) Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 9.9(3)), all notices and other communications provided for in this Agreement shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by electronic mail to the addresses or email addresses specified on Schedule H or on any assignment to a new lender or, if to an Obligor, in care of the Borrower. Those addresses shall apply to notices under all Loan Documents, unless otherwise expressly provided.
- (2) 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 electronic mail shall be deemed to have been given when sent (except that, if not given on a Business Day before 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 9.9(3), shall be effective as provided in that Section 9.9(3).
- (3) Unless the Lender otherwise prescribes, (i) notices and other communications sent to an e-mail 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), except that if a notice or other communication is not sent before 5:00 p.m. on a Business Day in the city where the recipient is located, the 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 the notice or communication is available and identifying the website address.
- (4) Any party may change its address or telecopier number for notices and other communications by notice to the other Parties.

9.10 Time of the Essence

Time is of the essence of this Agreement.

9.11 Further Assurances

The Obligors shall, at the request of the Lender, promptly do, execute, deliver or cause to be done, executed or delivered all further acts, documents and matters that may, in the reasonable opinion of the Lender, be necessary or desirable in order to fully perform and carry out the purpose and intent of the Loan Documents.

9.12 Term of Agreement

Except as otherwise provided in this Agreement, it shall remain in full force and effect until the indefeasible payment and performance in full in cash of all of the Obligations. The obligations of the Obligors in Sections 8.4, 8.5, 9.5(2), 9.6 and 9.8 of this Agreement shall continue for the benefit of those to whom the obligations are owed notwithstanding the termination of this Agreement or any particular person's role as Obligor or Lender.

9.13 Counterparts and Electronic Delivery

Any Loan Document may be executed in counterparts (and by different Parties in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Except as provided in ARTICLE 4, this Agreement shall become effective when it has been executed by the Lender and when the Lender has received counterparts of this Agreement that, when taken together, bear the signatures of each of the other Parties. Delivery of an executed counterpart of a signature page of this Agreement or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

9.14 Treatment of Certain Information; Confidentiality

- (1) The Lender agrees to maintain the confidentiality of Information, except that Information may be disclosed (a) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom disclosure is made will be informed of the confidential nature of the Information and instructed to keep the 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) in connection with

the exercise of any remedies under any Loan Document or any action or proceeding relating to any Loan Document or the enforcement of rights under the Loan Documents, (e) subject to an agreement containing provisions substantially the same as those of this Section 9.14(1), 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 Derivative, credit-linked note or similar transaction relating to the Borrower and the Obligations, (f) with the consent of the Borrower or (g) to the extent Information (x) becomes publicly available other than as a result of a breach of this Section 9.14 or (y) becomes available to the Lender on a non-confidential basis from a source other than an Obligor.

- (2) For purposes of this Section 9.14, “**Information**” means all information received in connection with any Loan Document from any Obligor relating to any Obligor or any of its Subsidiaries or any of their respective businesses, other than any such information that was available to the Lender on a non-confidential basis before such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section 9.14 shall be considered to have complied with its obligation to do so if the Person has exercised the same degree of care to maintain the confidentiality of the Information as the Person would accord to its own confidential information. In addition, the Lender may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the Credit as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom disclosure is made will be informed of the confidential nature of the Information and instructed to make available to the public only such Information as the Person normally makes available in the course of its business of assigning identification numbers.

9.15 Entire Agreement

This Agreement and the other Loan Documents constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersede all prior correspondence, agreements, negotiations, discussions and understandings, whether written or oral. Except as expressly specified in this Agreement and the other Loan Documents, there are no representations, warranties, conditions or other agreements or acknowledgments, whether direct or collateral, express or implied, written or oral, statutory or otherwise, that

form part of or affect the Loan Documents or the agreements referred to in them, that induced any party to enter into the Loan Documents or the agreements referred to in them, or on which reliance is placed by any party. Without limiting the foregoing, the Commitment Letter is cancelled and superseded.

9.16 This Agreement to Govern

If there is any conflict or inconsistency between the terms of this Agreement and the terms of any other Loan Document (except any Intercreditor Agreement, which shall prevail as against this Agreement), the provisions of this Agreement shall govern to the extent necessary to remove the conflict or inconsistency.

9.17 Language

The Parties have required that the Loan Documents be in the English language, but without prejudice to documents that may from time to time be drawn up in French only, or in both French and English. Les Parties ont exigé que cette convention et tout document de sûreté, hypothèque, contrat, document ou avis y afférent soient rédigés en langue anglaise, mais sans que cette disposition n'affecte toutefois la validité de tout tel document qui pourrait à l'occasion être rédigé en français seulement ou à la fois en français et en anglais.

9.18 Limitation Periods

To the extent that any limitation period applies to any claim for payment of obligations or remedy for enforcement of obligations under any Loan Document, the Obligors agree that:

- (a) any limitation period is expressly excluded and waived entirely if permitted by Applicable Law;
- (b) if a complete exclusion and waiver of any limitation period is not permitted by Applicable Law, any limitation period is extended to the maximum length permitted by Applicable Law;
- (c) any limitation period applying to a Loan Document expressed to be payable on demand shall not begin before an express demand for payment of the relevant obligations is made in writing by the Lender to the relevant Obligor;

- (d) any applicable limitation period shall begin afresh upon any payment or other acknowledgment by any Obligor of its relevant obligations; and
- (e) each Loan Document is a “business agreement” as defined in the *Limitations Act, 2002* (Ontario) if that Act applies to it.

9.19 Services Provided and Conflicts of Interest

- (1) The Lender shall not be responsible for providing or arranging services to the Obligors except providing the Credit. The services of the Lender do not include the provision of general corporate finance advisory services. The responsibility of the Lender is solely contractual in nature and the Lender does not owe the Obligors any fiduciary duty as a result of the Loan Documents.
- (2) The Obligors acknowledge that the Lender and/or one or more of its Affiliates may now and in the future provide debt financing, equity capital or other services (including financial advisory services) to other Persons with whom the Obligors may have conflicting interests. Subject to the provisions of this Agreement, the Lender and its Affiliates will not disclose confidential information obtained from the Obligors in connection with the performance of services for others. Similarly, the Lender and its Affiliates have no obligation to disclose the existence of or use for the Obligors’ benefit confidential information that they have obtained or may obtain from any other Person.
- (3) The Obligors also acknowledge that the Lender and its Affiliates engage in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, the Lender and its Affiliates may provide investment banking and other financial services to other Persons with which the Obligors may have commercial or other relationships, and/or acquire, hold or sell, for their own accounts and the accounts of customers, the Obligors’ equity, debt and other securities and financial instruments (including bank loans and other obligations) and those of other Persons with which the Obligors may have commercial or other relationships. All rights in respect of securities and financial instruments held by the Lender and its Affiliates or their respective customers, including any voting rights, will be exercised by the holder of the rights in its sole discretion.
- (4) The Lender and its Affiliates are not responsible to provide the Obligors with advice relating to legal, regulatory, accounting or tax matters. The Obligors acknowledge that (a) they have relied and will continue to rely on the advice of

their own legal, regulatory, accounting and tax advisors for all matters relating to the Credit and otherwise and (b) they have not received or relied upon advice from the Lender and its Affiliates or advisors regarding legal, regulatory, accounting or tax matters.

- (5) The Obligors acknowledge that no client or near-client relationship has been or will be established between the Obligors and any legal counsel to the Lender as a result of their representation of the Lender, including by reason of any confidential information regarding any Obligor being provided to legal counsel to the Lender or by reason of any Obligor paying or reimbursing the Lender for fees, charges or disbursements of legal counsel to the Lender. The Obligors also acknowledge that legal counsel to the Lender shall not be prevented from (a) continuing to act for the Lender in connection with the Credit and the Loan Documents, including any enforcement of the Security, for any reason including any client or near-client relationship that may exist now or in the future between legal counsel to the Lender and any Obligor, or (b) acting for any other Person whose interests conflict with the interests of any Obligor unless the Obligors establish, without the benefit of any presumption, that counsel has provided the other Person, to the detriment of the Obligors, with confidential information regarding the Obligors that they have received as a result of acting as legal counsel to the Lender.

[SIGNATURE PAGES FOLLOW]

IN WITNESS OF WHICH, the Parties have duly executed this Agreement.

**DATA COMMUNICATIONS
MANAGEMENT CORP., as Borrower**

By: "Gregory Cochrane"

Name: Gregory Cochrane
Title: President

By: "James Lorimer"

James Lorimer
Chief Financial Officer and
Corporate Secretary

**DATA COMMUNICATIONS
MANAGEMENT (US) CORP., as Guarantor**

By: "Gregory Cochrane"

Name: Gregory Cochrane
Title: President

By: "James Lorimer"

James Lorimer
Chief Financial Officer and
Secretary

[signature page for Credit Agreement relating to DATA Communications Management Corp. et al.]

**THISTLE PRINTING LIMITED, as
Guarantor**

By: "Gregory Cochrane"
Name: Gregory Cochrane
Title: President

By: "James Lorimer"
James Lorimer
Title: CFO

**GRIFFIN HOUSE GRAPHICS LIMITED, as
Guarantor**

By: "Gregory Cochrane"
Name: Gregory Cochrane
Title: President

By: "James Lorimer"
James Lorimer
Title: CFO

*[signature page for Credit Agreement relating to DATA Communications
Management Corp. et al.]*

INTEGRATED PRIVATE DEBT FUND V LP,
by its general partner, **INTEGRATED**
PRIVATE DEBT FUND GP INC., as Lender

By: "Greg Dimmer"

Greg Dimmer
Managing Director

By: "Doug Zinkewich"

Doug Zinkewich
Managing Director

*[signature page for Credit Agreement relating to DATA Communications
Management Corp. et al.]*

SCHEDULE A

AMORTIZATION TABLE

[see reference in Section 2.4(1)]

(See attached)

Data Communications Management Corp

Account Number:

Principal Amount:	\$5,000,000.00	Valuation Date:	08-Nov-17
Interest Rate:	6.950%	# of Payments:	66
Blended payment	\$91,373.48	Amortization:	66

Pymt. #	Date	Total Payment	Interest Portion	Principal Portion	Principal Outstanding
0	10-Nov-17	0.00	0.00	0.00	5,000,000.00
1	15-Dec-17	95,736.92	33,321.92	62,415.00	4,937,585.00
2	15-Jan-18	91,373.48	28,596.85	62,776.63	4,874,808.37
3	15-Feb-18	91,373.48	28,233.27	63,140.21	4,811,668.16
4	15-Mar-18	91,373.48	27,867.58	63,505.90	4,748,162.26
5	15-Apr-18	91,373.48	27,499.77	63,873.71	4,684,288.55
6	15-May-18	91,373.48	27,129.84	64,243.64	4,620,044.91
7	15-Jun-18	91,373.48	26,757.76	64,615.72	4,555,429.19
8	15-Jul-18	91,373.48	26,383.53	64,989.95	4,490,439.24
9	15-Aug-18	91,373.48	26,007.13	65,366.35	4,425,072.89
10	15-Sep-18	91,373.48	25,628.55	65,744.93	4,359,327.96
11	15-Oct-18	91,373.48	25,247.77	66,125.71	4,293,202.25
12	15-Nov-18	91,373.48	24,864.80	66,508.68	4,226,693.57
13	15-Dec-18	91,373.48	24,479.60	66,893.88	4,159,799.69
14	15-Jan-19	91,373.48	24,092.17	67,281.31	4,092,518.38
15	15-Feb-19	91,373.48	23,702.50	67,670.98	4,024,847.40
16	15-Mar-19	91,373.48	23,310.57	68,062.91	3,956,784.49
17	15-Apr-19	91,373.48	22,916.38	68,457.10	3,888,327.39
18	15-May-19	91,373.48	22,519.90	68,853.58	3,819,473.81
19	15-Jun-19	91,373.48	22,121.12	69,252.36	3,750,221.45
20	15-Jul-19	91,373.48	21,720.03	69,653.45	3,680,568.00
21	15-Aug-19	91,373.48	21,316.62	70,056.86	3,610,511.14
22	15-Sep-19	91,373.48	20,910.88	70,462.60	3,540,048.54
23	15-Oct-19	91,373.48	20,502.78	70,870.70	3,469,177.84
24	15-Nov-19	91,373.48	20,092.32	71,281.16	3,397,896.68
25	15-Dec-19	91,373.48	19,679.48	71,694.00	3,326,202.68
26	15-Jan-20	91,373.48	19,264.26	72,109.22	3,254,093.46
27	15-Feb-20	91,373.48	18,846.62	72,526.86	3,181,566.60
28	15-Mar-20	91,373.48	18,426.57	72,946.91	3,108,619.69
29	15-Apr-20	91,373.48	18,004.09	73,369.39	3,035,250.30
30	15-May-20	91,373.48	17,579.16	73,794.32	2,961,455.98
31	15-Jun-20	91,373.48	17,151.77	74,221.71	2,887,234.27

Data Communications Management Corp

Account Number:

Principal Amount:	\$5,000,000.00	Valuation Date:	08-Nov-17
Interest Rate:	6.950%	# of Payments:	66
Blended payment	\$91,373.48	Amortization:	66

Pymt.		Total	Interest	Principal	Principal
#	Date	Payment	Portion	Portion	Outstanding
32	15-Jul-20	91,373.48	16,721.90	74,651.58	2,812,582.69
33	15-Aug-20	91,373.48	16,289.54	75,083.94	2,737,498.75
34	15-Sep-20	91,373.48	15,854.68	75,518.80	2,661,979.95
35	15-Oct-20	91,373.48	15,417.30	75,956.18	2,586,023.77
36	15-Nov-20	91,373.48	14,977.39	76,396.09	2,509,627.68
37	15-Dec-20	91,373.48	14,534.93	76,838.55	2,432,789.13
38	15-Jan-21	91,373.48	14,089.90	77,283.58	2,355,505.55
39	15-Feb-21	91,373.48	13,642.30	77,731.18	2,277,774.37
40	15-Mar-21	91,373.48	13,192.11	78,181.37	2,199,593.00
41	15-Apr-21	91,373.48	12,739.31	78,634.17	2,120,958.83
42	15-May-21	91,373.48	12,283.89	79,089.59	2,041,869.24
43	15-Jun-21	91,373.48	11,825.83	79,547.65	1,962,321.59
44	15-Jul-21	91,373.48	11,365.11	80,008.37	1,882,313.22
45	15-Aug-21	91,373.48	10,901.73	80,471.75	1,801,841.47
46	15-Sep-21	91,373.48	10,435.67	80,937.81	1,720,903.66
47	15-Oct-21	91,373.48	9,966.90	81,406.58	1,639,497.08
48	15-Nov-21	91,373.48	9,495.42	81,878.06	1,557,619.02
49	15-Dec-21	91,373.48	9,021.21	82,352.27	1,475,266.75
50	15-Jan-22	91,373.48	8,544.25	82,829.23	1,392,437.52
51	15-Feb-22	91,373.48	8,064.53	83,308.95	1,309,128.57
52	15-Mar-22	91,373.48	7,582.04	83,791.44	1,225,337.13
53	15-Apr-22	91,373.48	7,096.74	84,276.74	1,141,060.39
54	15-May-22	91,373.48	6,608.64	84,764.84	1,056,295.55
55	15-Jun-22	91,373.48	6,117.71	85,255.77	971,039.78
56	15-Jul-22	91,373.48	5,623.94	85,749.54	885,290.24
57	15-Aug-22	91,373.48	5,127.31	86,246.17	799,044.07
58	15-Sep-22	91,373.48	4,627.80	86,745.68	712,298.39
59	15-Oct-22	91,373.48	4,125.39	87,248.09	625,050.30
60	15-Nov-22	91,373.48	3,620.08	87,753.40	537,296.90
61	15-Dec-22	91,373.48	3,111.84	88,261.64	449,035.26

Data Communications Management Corp

Account Number:

Principal Amount: \$5,000,000.00
Interest Rate: 6.950%
Blended payment \$91,373.48

Valuation Date: 08-Nov-17
of Payments: 66
Amortization: 66

Pymt. #	Date	Total Payment	Interest Portion	Principal Portion	Principal Outstanding
62	15-Jan-23	91,373.48	2,600.66	88,772.82	360,262.44
63	15-Feb-23	91,373.48	2,086.52	89,286.96	270,975.48
64	15-Mar-23	91,373.48	1,569.40	89,804.08	181,171.40
65	15-Apr-23	91,373.48	1,049.28	90,324.20	90,847.20
66	15-May-23	91,373.36	526.16	90,847.20	0.00

SCHEDULE B
DETAILS OF EQUITY INTERESTS, PROPERTY, ETC.

[see references in Sections 5.1(21), 6.4(8) and 6.4(11)]

[TEXT REDACTED: The omitted text sets forth information on Equity Interests and Property.]

SCHEDULE C
INTELLECTUAL PROPERTY

[see reference in Section 5.1(23)]

[TEXT REDACTED: The omitted text sets forth information on Intellectual Property.]

**SCHEDULE D
MATERIAL DISPUTES**

[see reference in Section 5.1(13)]

NONE

**SCHEDULE E
NOTICE OF ADVANCE**

[see reference in Section 4.1(7)(c)]

TO: Integrated Private Debt Fund V LP
70 University Avenue, Suite 1200
Toronto, Ontario, M5J 2M4

Attention: Greg Dimmer
Email: gdimmer@iamgroup.ca

We refer to Section 4.1(7)(c) of the credit agreement dated as of November 10, 2017 between DATA Communications Management Corp., as Borrower, Integrated Private Debt Fund V LP, as Lender, and others, as amended, supplemented, restated or replaced from time to time (the “**Credit Agreement**”). All capitalized terms used in this certificate and defined in the Credit Agreement have the meanings defined in the Credit Agreement.

Pursuant to a Request for Funds dated _____, the undersigned irrevocably requested that an Advance be made under the Credit. The undersigned hereby confirms (or reconfirms, as the case may be) to the Lender as follows:

1. Request for Advance

The undersigned hereby irrevocably requests as follows:

- (a) that an Advance be made under the Credit;
- (b) the Advance Date shall be _____;
- (c) the proceeds of the Advance shall be transferred in accordance with the attached wire transfer directions.

2. The undersigned hereby confirms as follows:

- (a) the representations and warranties made in Section 5.1 of the Credit Agreement, except those expressly stated to be made as of a specific date, are true on and as of the date of this notice with the same effect as if they had been made on and as of the date of this notice;

- (b) no Default or Event of Default has occurred and is continuing on the date of this notice or will result from the Advance requested in this notice; and
- (c) the undersigned will immediately notify you if it becomes aware of the occurrence of any event that would mean that the statements in the immediately preceding items (a) and (b) would not be true if made on the Advance Date.

DATED _____, 2017

**DATA COMMUNICATIONS MANAGEMENT
CORP.**

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE F
COMPLIANCE CERTIFICATE

[see reference in Section 1.1(29)]

TO: Integrated Private Debt Fund V LP
70 University Avenue, Suite 1200
Toronto, Ontario, M5J 2M4

Attention: Greg Dimmer
Email: gdimmer@iamgroup.ca

We refer to Section 6.3(1)(d) of the credit agreement dated as of November 10, 2017 between DATA Communications Management Corp., as Borrower, Integrated Private Debt Fund V LP, as Lender, and others, as amended, supplemented, restated or replaced from time to time (the “**Credit Agreement**”). All capitalized terms used in this certificate and defined in the Credit Agreement have the meanings defined in the Credit Agreement. This Compliance Certificate relates to the Borrower’s fiscal period ended _____ (the “**Period End**”).

1. The Borrower hereby certifies that:
 - (a) the representations and warranties made in Section 5.1 of the Credit Agreement, except those expressly stated to be made as of a specific date but including those made with respect to the financial statements for the Period End, are true on and as of the date of this Compliance Certificate with the same effect as if those representations and warranties had been made on and as of that date;
 - (b) the Borrower is in compliance with the financial covenants set out in Section 6.1 of the Credit Agreement and all source deductions (including in respect of employee income tax, Canada pension plan and employment insurance premiums) are current and there are no arrears; and
 - (c) no Default or Event of Default has occurred and is continuing on the date of this Compliance Certificate. **[Note: Amend and provide details if there is a Default.]**

2. The Borrower hereby certifies that, as of the Period End:
 - (a) the Debt Service Coverage Ratio was ___ to 1;
 - (b) the Total Funded Debt was _____;
 - (c) the Total Funded Debt to EBIDTA Ratio was ___ to 1;
 - (d) the Working Capital Current Ratio was __ to 1;
 - (e) Capital Expenditures made by the Obligors during the fiscal quarter ending on the Period End, and for the fiscal year to the end of the Period End, were \$__ and \$_____, respectively; and
 - (f) the proceeds of all property insurance and other compensation for the expropriation, condemnation, destruction, damage or other loss of any Property of an Obligor during the fiscal quarter ending on the Period End is \$_____.
3. For each Period End constituting the end of the Borrower's fiscal year the amount of distributions made by the Borrower to holders of its Equity Interests during the fiscal year ending on the Period End was \$_____.
4. **[For each Period End constituting the end of the Borrower's [first / third] fiscal quarter, the Borrower's Excess Cash Flow for the most recently completed two fiscal quarters was \$_____.] [To be included in Compliance Certificate delivered in connection with the first and third fiscal quarters of the Borrower]**
5. Appendix A attached sets out:
 - (a) the calculations of the ratios referred to above; and
 - (b) the calculation of EBITDA and Excess Cash Flow.
6. [select as appropriate: Appendix B attached is an update of Schedule B to the Credit Agreement as of the Period End. / There has been no change to the information contained in the version of Schedule B [appended to the Credit Agreement OR delivered in the Compliance Certificate dated [date]].]
7. [select as appropriate: Appendix C attached is an update of Schedule C to the Credit Agreement as of the Period End. / There has been no change to the

information contained in the version of Schedule C [appended to the Credit Agreement OR delivered in the Compliance Certificate dated [date]].]

8. [select as appropriate: Appendix D attached is an update of Schedule D to the Credit Agreement as of the Period End. / There has been no change to the information contained in the version of Schedule D [appended to the Credit Agreement OR delivered in the Compliance Certificate dated [date]].]

DATED _____.

**DATA COMMUNICATIONS MANAGEMENT
CORP.**

By: _____

Name:

Title:

By: _____

Name:

Title:

SCHEDULE G
AGREEMENT OF NEW OBLIGOR SUPPLEMENT TO CREDIT AGREEMENT

[see reference in Section 3.1(2)]

THIS AGREEMENT supplements the credit agreement dated as of November 10, 2017 between DATA Communications Management Corp., as Borrower, Integrated Private Debt Fund V LP, as Lender, and others as amended, supplemented, restated or replaced from time to time (the “**Credit Agreement**”).

RECITALS:

- A. Capitalized terms used and not defined in this Agreement have the respective meanings defined in the Credit Agreement.
- B. The Credit Agreement contemplates that certain further Subsidiaries of the Borrower shall become Obligor in certain circumstances.
- C. • (the “**New Subsidiary**”) is required by the Credit Agreement to become an Obligor.
- D. Security and other documents required by Section 3.1(2) of the Credit Agreement have been delivered by or in respect of the New Subsidiary.

THEREFORE, for value received, and intending to be legally bound by this Agreement, the parties agree as follows:

- 1. The New Subsidiary hereby acknowledges and agrees to the terms of the Credit Agreement and agrees to be bound by all obligations of an Obligor under the Credit Agreement as if it had been an original signatory to it.
- 2. The Lender acknowledges that the New Subsidiary shall be an Obligor as of the date of this Agreement.

(signatures on following page)

IN WITNESS OF WHICH, the undersigned have executed this Agreement as of the · day of · , 20·.

INTEGRATED PRIVATE DEBT FUND V LP,
by its general partner, **INTEGRATED PRIVATE DEBT FUND GP INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

[NEW SUBSIDIARY]

By: _____
Name:
Title:

By: _____
Name:
Title:

**SCHEDULE H
ADDRESSES FOR NOTICE**

[see reference in Section 9.9]

If to an Obligor

c/o DATA Communications Management Corp.
9195 Torbram Road
Brampton, Ontario, L6S 6H2

Attention: James Lorimer, Chief Financial Officer
Email: [TEXT REDACTED: the omitted text sets forth the email address.]

If to the Lender

Integrated Private Debt Fund V LP
70 University Avenue, Suite 1200
Toronto, Ontario, M5J 2M4

Attention: Greg Dimmer
Email: [TEXT REDACTED: the omitted text sets forth the email address.]

SCHEDULE I
EXISTING DB PENSION PLAN

[see reference in Section 5.1(27) and 6.4(24)]

[TEXT REDACTED: The omitted text sets forth information on the existing welfare and DB Pension Plan.]