

**CREDIT AGREEMENT**

**Dated as of April 30, 2018**

**between**

**CROWN CAPITAL FUND IV, LP**

**as Lender**

**– and –**

**DATA COMMUNICATIONS MANAGEMENT CORP.**

**as Borrower**

**– and –**

**EACH OF THE SUBSIDIARIES PARTY HERETO AS GUARANTORS**

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## CREDIT AGREEMENT

**THIS CREDIT AGREEMENT** is made with effect as of the 30th day of April, 2018, by and between **DATA COMMUNICATIONS MANAGEMENT CORP.**, a corporation formed under the laws of Ontario (the “**Borrower**”), **CROWN CAPITAL FUND IV, LP** and one or more Persons to whom the foregoing or its permitted assigns may from time to time assign an interest in the Loan Documents (collectively, the “**Lender**”), and each of the Guarantors;

### RECITALS:

**WHEREAS** the Borrower desires that the Lender extend the Loan to the Borrower for the purposes set out herein, and the Lender has indicated its willingness to lend on the terms and conditions set forth herein;

**AND WHEREAS** the parties wish to provide for the terms and conditions upon which the Loan shall be made;

**NOW THEREFORE**, in consideration of the premises and the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### ARTICLE 1 - DEFINITIONS

#### 1.1 General Definitions.

In this Agreement the following terms shall have the following meanings:

1.1.1 “**Accredited Investor Certificate**” shall have the meaning ascribed to it in Section 4.6(b) hereof.

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

1.1.3 “**Action Request**” means any request from any Governmental Authority under any Environmental Law whereby such body or agency requests that the Person requested takes action or steps or does acts or things in respect of any Property in its charge, management or control to remediate a matter which is not or is alleged not to be in compliance with all Environmental Laws, except where such non-compliance would not reasonably be expected to have a Material Adverse Effect.

1.1.4 “**Additional IPD Term Credit Agreement**” means each credit agreement or other loan or similar agreement entered into after the date hereof between the Borrower and an Additional IPD Term Lender.

1.1.5 “**Additional IPD Term Lender**” means a lender that is a limited partnership or fund managed by Integrated Private Debt Fund GP that has provided a term loan facility to the Borrower and has become a party to the Intercreditor Agreement.

1.1.6 “**Affiliate**” means, with respect to any particular Person, any other Person that directly or indirectly Controls, is Controlled by, or is under common Control with such Person and, for the purposes of Sections 1.1.39 and 7.1.18, includes any Person which owns, directly or indirectly, not less than 10% of the outstanding Equity Interests of such Person.

1.1.7 “**Agreement**” means this agreement and all schedules attached hereto; the expressions “**hereof**”, “**herein**”, “**hereto**”, “**hereunder**”, “**hereby**” and similar expressions refer to this Agreement, as amended, restated or supplemented from time to time, as a whole and not to any particular Article, Section, Schedule, or other portion hereof or thereof.

1.1.8 “**Annual Budget**” means the annual budget of the Borrower, prepared on a Consolidated basis, consisting of a budget approved by the board of directors of the Borrower showing all significant expenditures, a projected income statement, balance sheet and statement of cash flow, in each case in detail satisfactory to the Lender, acting reasonably.

1.1.9 “**Anti-Corruption Laws**” has the meaning ascribed to it in Section 7.1.36.

1.1.10 “**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 judgement, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law.

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

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

1.1.13 “**Audited Financial Statements**” means the audited Consolidated statement of financial position of the Borrower for a Fiscal Year, including, without limitation, balance sheet, statement of income and retained earnings and statements of cash flows for such Fiscal Year prepared in accordance with IFRS.

1.1.14 “**Auditor**” means the Borrower’s auditor, being PricewaterhouseCoopers and includes its successors and any replacement auditor of recognized national standing from time to time.

1.1.15 “**Borrower**” means DATA Communications Management Corp., a corporation formed under the laws of Ontario, and its permitted successors and assigns.

1.1.16 “**Business**” means the provision of business and marketing communications services, including without limitation, services related to direct marketing, print services, labels and asset tracking, event tickets and gift cards, logistics and fulfilment, content and workflow management, data management and analytics, regulatory communications, commercial printing including design, prepress and bindery services and other services ancillary or related thereto and after the Target Acquisition includes the Target Business.

1.1.17 “**Business Day**” means a day (other than Saturday or Sunday) on which banks are generally open for business in Toronto, Ontario and Calgary, Alberta.

1.1.18 “**Canadian Multi-employer Plan**” means a Canadian 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).

1.1.19 “**Canadian Pension Plan**” means, with respect to any Obligor formed in Canada or any jurisdiction therein, any plan or arrangement that is considered to be a registered pension plan (for the purposes of and subject to any applicable pension benefits or tax statute or regulation in Canada) established, maintained or contributed to, or required to be contributed to, by or on behalf of such Obligor for the benefit of any of its employees or former employees or their beneficiaries.

1.1.20 “**Capital Expenditures**” means, for any period, any expenditure made by any Person for the purchase, acquisition, licence, erection, development, improvement, construction, repair or replacement of capital assets, and any expenditure related to a Capital Lease or any other expenditure required to be capitalized, all as determined in accordance with IFRS.

1.1.21 “**Capital Lease**” means, with respect to any Person, any lease of (or other agreement conveying the right to use) any real or personal property by such Person that, in conformity with IFRS, is or should be accounted for as a capital lease on the balance sheet of that Person.

1.1.22 “**Cash Fee**” shall have the meaning ascribed to it in Section 4.6(a) hereof.

1.1.23 “**Change of Control**” means:

- (a) with respect to the Borrower, the acquisition by any Person or group of Persons, who act together in concert for such purpose of: (a) shares or other voting Equity Interests of the Borrower to which are attached more than twenty percent (20%) of the votes that may be cast to elect directors or other Persons charged with the direction of the management of the Borrower and which, if exercised, are

sufficient to elect a majority of such directors or other management Persons, or (b) any other right to appoint a majority of such directors or other management Persons or with respect to any Person who from time to time has previously met the foregoing test the further Acquisition by such Person or group of Persons who act together in concert for such purpose of any further units or other voting Equity Interests of the Borrower; and

- (b) with respect to any Guarantor, the failure of any Guarantor to remain a wholly owned Subsidiary of the Borrower other than as a result of a Permitted Disposition.

1.1.24 “**Closing Date**” means April 30, 2018 or such other date as may be agreed to by the Lender and Borrower.

1.1.25 “**Closing Date Obligors**” means, collectively, the Borrower, Thistle Printing Limited and Data Communications Management (US) Corp.

1.1.26 “**Collateral**” means all of the undertaking and Property, present and future, real, immovable, personal and immovable, of each Obligor, now or hereafter pledged, hypothecated, granted or assigned to the Lender to secure, either directly or indirectly, payment of any of the Obligations.

1.1.27 “**Compliance Certificate**” means the certificate required pursuant to Section 8.2, substantially in the form annexed as Schedule 8.2 and signed by the President and Chief Financial Officer of the Borrower.

1.1.28 “**Consolidated**” means, when used to modify a financial term, test, statement, or report of a Person, the application or preparation of such term, test, statement or report (as applicable) based upon the consolidation, in accordance with IFRS, of the financial condition or operating results of such Person.

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

term “**Contingent Obligation**” shall not include endorsements of instruments for deposit or collection in the ordinary course of business.

1.1.30 “**Control Agreement**” means a control agreement, in form and substance satisfactory to the Lender, executed and delivered by each applicable Obligor, the Lender, and the applicable securities intermediary with respect to a Securities Account or a deposit-taking institution with respect to a bank account.

1.1.31 “**Controlled Group**” means all members of a controlled group of corporations or other business entities and all trades or businesses (whether or not incorporated) under common control, which together with the Borrower and any of its Subsidiaries, are treated as a single employer under Section 414(t) of the Code or Section 4001(b)(1) of ERISA.

1.1.32 “**Control**” means, with respect to any Person, the possession, directly or indirectly, of the power to direct, or to cause the direction of, the management and policies of such Person, whether through the ability to exercise voting power over any Equity Interests, by contract or otherwise.

1.1.33 “**DB Pension Plan**” means a Canadian Pension Plan that contains or has ever contained a “defined benefit provision” as such term is defined in Section 147.1(1) of the ITA.

1.1.34 “**Debt**” means, with respect to any Person, without duplication, the aggregate of the following amounts, at the date of determination: (a) all indebtedness of such Person for borrowed money; (b) all obligations of such Person for the deferred purchase price of Property or services which constitute indebtedness; (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments; (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (whether or not the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property); (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with IFRS, recorded as Capital Leases; (f) all reimbursement obligations, contingent or otherwise, of such Person under acceptance, letter of credit and similar facilities; (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value any partnership or shareholder or other Equity Interests of such Person (for greater certainty, not including obligations with respect to unexercised options and rights of first refusal and where conditions precedent to the purchase, redemption, retirement, defeasance or other Acquisition of such obligations have not occurred); (h) all Contingent Obligations of such Person in respect of Debt of another Person; (i) all obligations of such Person under any Hedge Arrangements; and (j) any other obligation arising under arrangements or agreements that, in substance, provide financing to such Person.

1.1.35 “**Debt Service**” means, for any period, the amount required by the Borrower, determined on a consolidated basis, to service its outstanding Debt during that period and includes (without limitation) interest, scheduled principal payments, payments required

or made under any Capital Lease, fees payable in respect of letters of credit or letters of guarantee and the stamping fees and discount rates associated with bankers' acceptances facilities and shares which, by their terms, or upon the happening of any event, mature or are mandatorily redeemable or are redeemable at the option of the holder and which shares are not fully subordinated to the Lien created by the Security Documents, but excludes payments of trade payables, accrued liabilities and current and deferred taxes.

1.1.36 “**Deemed Interest Rate**” means the interest rate applicable to the Loan as set out in Section 4.1 or 4.3, as the case may be, from time to time.

1.1.37 “**Default**” means any event or condition which, with the giving of notice, the lapse of time or both, would constitute an Event of Default.

1.1.38 “**Disposition**” means any sale, assignment, transfer, conveyance, lease or other disposition of any asset of any Obligor in a single transaction or a series of related transactions and the words “**Dispose**” and “**Disposed**” shall have a correlative meanings.

1.1.39 “**Distribution**” shall mean, with respect to any Person, any payment, directly or indirectly, by such Person: (a) of any dividends on any Equity Interests, other than dividends payable in Equity Interests; (b) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any Equity Interests; (c) of any other distribution in respect of any Equity Interests; (d) of any principal of or interest or premium or fees on or related to other indebtedness or liability of such Person whether ranking, at law or by contract, in right of payment subordinate to any liability of such Person under the Loan Documents or otherwise; or (e) of any management, consulting or similar fee or compensation or any bonus payment or comparable payment, or by way of gift or other gratuity, to any Affiliate of such Person or to any director, officer or member of the management of such Person or an Affiliate of such Person or to any Person not dealing at Arm's Length with such first Person (for greater certainty, any compensation (including bonuses but excluding Thistle Special Bonus Payments) paid by an Obligor, in the ordinary course of business and consistent with past practices to directors, officers, members of management and employees of an Obligor shall not constitute Distributions hereunder).

1.1.40 “**EBITDA**” means, with reference to any particular Person for any particular period, Net Income of such Person for such period plus, without duplication, all amounts deducted in arriving at such Net Income amount in respect of (a) Interest Expense for such period, plus (b) income taxes for such period, plus (c) all amounts properly charged for depreciation of fixed assets and amortization of intangible assets during such period on the books of such Person, plus or minus any adjustments for non-cash gains or losses and extraordinary/unusual non-recurring items including:

- (i) non-cash expenses resulting from employee or management compensation, including the grant of stock options or restricted stock options to employees;

- (ii) any gain or loss attributable to the sale, conversion or other disposition of property out of the ordinary course of business;
- (iii) interest or dividend income;
- (iv) foreign exchange gain or loss;
- (v) gains resulting from the write up of property and losses resulting from the write-down of property (except allowances for doubtful accounts receivable and reserves for obsolescence of inventory);
- (vi) any gain or loss on the repurchase or redemption of any securities (including in connection with the early retirement or defeasance of any Debt);
- (vii) goodwill and other intangible asset write-downs; and
- (viii) any other extraordinary, non-recurring or unusual items (as approved by the Lender in its sole discretion).

EBITDA for any particular period attributable to any Subsidiaries acquired (or divested) by the Borrower during that particular period (adjusted in accordance with paragraphs (i) through (viii) above) shall be included (or excluded as the case may be) on a pro forma basis for that particular period (assuming such acquisition (or disposition) and the incurrence and assumption (or disposition and repayment) of any Debt in connection therewith occurred on the first day of the particular period).

1.1.41 “**Employee Benefit Plan**” means, with respect to any Obligor, any employee benefit plan of any nature or kind whatsoever that is established, maintained by or contributed to, or required to be contributed to, by or on behalf of such Obligor (other than any Canadian Pension Plan or Statutory Plan) for the benefit of any of its employees or former employees or their beneficiaries.

1.1.42 “**Employee Benefits Legislation**” means the *Canada Pension Plan Act* (Canada), the *Income Tax Act* (Canada), the *Pension Benefits Standards Act 1985* (Canada), the *Employment Insurance Act* (Canada), and any equivalent Applicable Law of Canada, any Province or Territory thereof, or any other jurisdiction including, but not limited to, employee benefit legislations in the Province of Ontario, as amended from time to time.

1.1.43 “**Environmental Laws**” means all Applicable Laws relating to Materials of Environmental Concern, pollution or protection of health, safety or the environment (including ambient air, surface water, ground water, land surface or subsurface strata), including without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern, or otherwise relating to the manufacturing, processing, distribution, use, treatment, storage, disposal or transport of Materials of Environmental Concern.

1.1.44 “**Equipment**” means all machinery, apparatus, equipment, fittings, furniture, fixtures, motor vehicles and other tangible personal or movable Property (other than Inventory) of every kind and description used in a Person’s operations or owned by such Person or in which such Person has an interest, whether now owned or hereafter acquired by such Person and wherever located, and all parts, accessories and tools and all increases and accessories thereto and substitutions and replacements therefor.

1.1.45 “**Equity Interests**” means (a) in the case of any corporation or company, all shares, or capital stock and any securities exchangeable for or convertible into shares or capital stock, (b) in the case of an association or business entity, any and all shares, interests, participation rights or other equivalents of corporate stock (however designated) in or to such association or entity, (c) in the case of a partnership, limited liability company or unlimited liability company, partnership or membership interests (whether general or limited), as applicable, and (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person, and including, in all of the foregoing cases described in clauses (a), (b), (c) or (d), any warrants, rights or other options to purchase or otherwise acquire any of the interests described in any of the foregoing cases.

1.1.46 “**Equity Interests Perfection Documents**” means all share certificates, stock powers of attorney, promissory notes, consents, authorizations and other documents necessary under the Applicable Law governing the issuance of the applicable Equity Interests in order to make valid and effective any securities pledge or similar agreement granted as a Security Document by any Obligor.

1.1.47 “**ERISA**” means the *Employee Retirement Income Security Act of 1974* of the United States, together with the regulations thereunder as the same may be amended from time to time.

1.1.48 “**Event of Default**” shall have the meaning ascribed to it in Article 11 hereof.

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

1.1.50 “**Financial Statements**” means the Consolidated statements of financial position of the Borrower, including without limitation, the balance sheet, statement of income and retained earnings and statement of cash flows of the Borrower, all prepared in accordance with IFRS and consistent with the approach used by the Borrower in its Audited Financial Statements.

1.1.51 “**Fiscal Quarter**” means any of the quarterly accounting periods of the Borrower ending on March 31, June 30, September 30, and December 31 of each year.

1.1.52 “**Fiscal Year**” means any period of twelve consecutive months ending on December 31 of any calendar year.

1.1.53 “**Fixed Charge Coverage Ratio**” means, with reference to the Borrower, calculated on a consolidated basis, in respect of any particular period (a) EBITDA for such period, less cash Taxes, cash Distributions (including dividends paid) and non-financed Capital Expenditures in each case paid during such period, divided by (b) Debt Service for such period.

1.1.54 “**Funding Date**” means the date of the advance of the Loan.

1.1.55 “**Governmental Authority**” means the government of Canada, the United States or any other nation, or of any political subdivision thereof, whether state, provincial, territorial 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 Canadian or US pension regulator and any supranational 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.

1.1.56 “**Guarantors**” means all Subsidiaries of the Borrower from time to time and includes, without limitation, each of those Persons identified on Schedule 1.1.56 and their successors and assigns, and “**Guarantor**” means any one of them.

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

1.1.58 “**IFRS**” means, at any time, the International Financial Reporting Standards, promulgated by the International Accounting Standards Board, as amended, supplemented or replaced from time to time.

1.1.59 “**Intellectual Property**” means the intellectual property in patents, patent applications, trade-marks, trade-mark applications, trade names, service marks, copyrights, copyright registrations, trade secrets and other similar intellectual property including, without limitation, customer lists and information and business opportunities, industrial designs, integrated circuit topographies, proprietary software, technology, recipes and formulae and other similar intellectual property rights used or necessary for the Obligors to conduct their Business as heretofore conducted by them.

1.1.60 “**Intercompany Debt**” means any Debt now or in the future owing by an Obligor to any other Obligor.

1.1.61 “**Intercreditor Agreement**” means the Second Amended and Restated Intercreditor Agreement dated the date hereof among, *inter alios*, Bank of Montreal, the IPD Term Lenders, the Lender, the Secured VTB Noteholders, the Borrower, and each of the persons party thereto as Obligor, as amended from time to time.

1.1.62 “**Interest Expense**” of the Borrower means, for any period, without duplication and on a Consolidated basis, the aggregate amount of interest and other financing charges paid or payable by the Borrower, on account of such period with respect to Debt including interest, amortization of discount and financing fees, commissions, discounts, the interest or time value of money component of costs related to factoring or securitizing receivables or monetizing inventory and other fees and charges payable with respect to letters of credit, letters of guarantee and bankers’ acceptance financing, standby fees, the interest component of Capital Leases and net payments (if any) pursuant to Hedge Arrangements involving interest, all as determined in accordance with IFRS.

1.1.63 “**Interest Payment Date**” means the first Business Day of each Fiscal Quarter of the Borrower.

1.1.64 “**Inventory**” means, with respect to any Person, all inventory of such Person, whether now owned or hereafter acquired including, but not limited to, all goods intended for sale or lease by such Person, or for display or demonstration; all work in process; all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, printing, packing, shipping, advertising, selling, leasing or furnishing of such goods or otherwise used or consumed in such Person’s business.

1.1.65 “**Investment**” in any Person means any direct or indirect (a) acquisition of any Equity Interest in any other Person, (b) any loan or advance made to any other Person, or (c) a contribution of capital. In determining the amount of any Investment involving a transfer of any Property other than cash, such Property shall be valued at its fair market value at the time of such transfer. For greater certainty, an Acquisition shall not be treated as an Investment.

1.1.66 “**IPD Term Credit Agreements**” means, collectively:

- (a) the credit agreement dated March 10, 2016 among the Borrower, as borrower, Data Communications Management (US) Corp. and Thistle Printing Limited, as guarantors, and Integrated Private Debt Fund IV LP, as lender, as amended, supplemented, restated, refinanced or otherwise modified from time to time;
- (b) the credit agreement dated November 1, 2012 among the Borrower and Thistle Printing Limited, as borrowers, Data Communications Management (US) Corp. as guarantor, and Integrated Private Debt Fund III LP, as lender, as amended, supplemented, restated, refinanced or otherwise modified from time to time;

- (c) the credit agreement dated as of November 10, 2017 among the Borrower, as borrower, Data Communications Management (US) Corp. and Thistle Printing Limited, as guarantors, and Integrated Private Debt Fund V LP, as lender, as amended, supplemented, restated, refinanced or otherwise modified from time to time and
- (d) each Additional IPD Term Credit Agreement.

1.1.67 “**IPD Term Lenders**” means, collectively, Integrated Private Debt Fund III LP, Integrated Private Debt Fund IV LP, Integrated Private Debt Fund V LP and each Additional IPD Term Lender.

1.1.68 “**Joinder Agreements**” means, collectively, the joinder agreements to be provided by each Target Obligor on the Funding Date pursuant to which such Target Obligor, among other things, (a) becomes a party to this Agreement and (b) makes the representations and warranties set forth in Section 7.1 hereof (to the extent such representations and warranties apply to it).

1.1.69 “**Lien**” means: (a) any interest in Property securing an obligation owed to, or a claim by, a Person, whether such interest is based on the common law, civil law, statute, or contract, and including, without limitation, a security interest, charge, claim, hypothec or lien arising from a mortgage, deed of trust, hypothec, encumbrance, pledge, hypothecation, assignment, deposit arrangement, agreement, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes; and (b) to the extent not included under clause (a), (i) any rights of repossession or similar rights of unpaid suppliers, (ii) any reservation, exception, encroachment, easement, right-of-way, covenant, condition, restriction, lease or other title exception or encumbrance affecting Property, and (iii) any other lien, hypothec, charge, privilege, secured claim, title retention, garnishment right, deemed trust, encumbrance or other right affecting Property, choate or inchoate, whether or not crystallized or fixed, whether or not for amounts due or accruing due, arising by any statute or law of any jurisdiction, at law, in equity or by any agreement.

1.1.70 “**Loan**” shall have the meaning ascribed to it in Section 2.1 hereof.

1.1.71 “**Loan Documents**” means (a) this Agreement, the Security Documents, the Intercreditor Agreement, and each document, agreement, instrument and certificate delivered to the Lender by an Obligor on the Closing Date and the Funding Date, and (b) all present and future security, agreements, documents, certificates and instruments delivered by any Obligor to the Lender pursuant to, or in respect of the agreements and documents referred to in clause (a), in each case as the same may from time to time be supplemented, amended or restated, and “**Loan Document**” shall mean any one of the Loan Documents.

1.1.72 “**Losses**” shall have the meaning ascribed to it in Section 12.1 hereof.

1.1.73 “**Material Adverse Effect**” shall mean (a) a material adverse effect on the business, operations, properties, assets, or condition (financial or otherwise) of the

Borrower and its Subsidiaries on a Consolidated basis, (b) an adverse effect on the legality, validity or enforceability of any of the Loan Documents, including the validity, enforceability, perfection or priority of any Lien created under any of the Security, (c) an adverse effect on the ability of the Obligor, taken as a whole, to pay or perform any of their debts, liabilities or obligations under the Loan Documents, or (d) an adverse effect on the right, entitlement or ability of the Lender to enforce its rights or remedies under any of the Loan Documents.

1.1.74 “**Material Contracts**” means, collectively, each written agreement (or multiple agreements with the same Person), arrangement or understanding entered into by an Obligor which if not complied with, or if it were to expire or be terminated, would reasonably be expected to have a Material Adverse Effect and include, without limitation, the agreements listed in Schedule 7.1.10.

1.1.75 “**Material Licences**” means, collectively, each licence, permit or approval issued by any Governmental Authority or any applicable stock exchange or securities commission to any Obligor, the breach or default of which, or termination of which, would reasonably be expected to result in a Material Adverse Effect.

1.1.76 “**Materials of Environmental Concern**” means any chemicals, pollutants, contaminants, wastes, toxic substances, petroleum, petroleum products, together with any hazardous, toxic or dangerous substances, materials and wastes, including, without limitation, hydrocarbons (including naturally occurring or man-made petroleum and hydrocarbons), flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, biological substances, polychlorinated biphenyls, pesticides, herbicides and any other kind and/or type of pollutants or contaminants (including, without limitation, materials which include hazardous constituents), sewage, sludge, industrial slag, solvents and/or any other similar substances, materials or wastes and including any other substances, materials or wastes that are or become regulated under any laws relating to the protection of the environment or maintenance of occupational safety (including, without limitation, any that are or become classified as hazardous or toxic under any such laws).

1.1.77 “**Maturity Date**” means the date that is the fifth anniversary of the Funding Date.

1.1.78 “**Net Debt**” means, as of any date of determination, (a) Debt of the Borrower on a Consolidated basis outstanding on such date (excluding Debt expressly and solely payable through the issuance of Equity Interests) *minus* (b) the aggregate amount of cash and Permitted Cash Investments held by the Obligor in Permitted Jurisdictions that: (i) may be classified, in accordance with GAAP, as “unrestricted” on the balance sheet of the Borrower on a Consolidated basis; (ii) may be classified, in accordance with GAAP, as “restricted” on the balance sheet of the Borrower on a Consolidated basis solely in favour of the Lender; or (iii) as otherwise determined by the Borrower and the Lender.

1.1.79 “**Net Debt to EBITDA Ratio**” means, for the applicable period, the ratio of Net Debt as at the last day of such period to TTM EBITDA.

1.1.80 “**Net Income**” means, with respect to the Borrower on a Consolidated basis for any period, net income of the Borrower for such period.

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

1.1.82 “**Obligations**” means all present and future obligations and indebtedness, liabilities and obligations of any and every kind and nature, of the Obligors to the Lender arising under this Agreement and the other Loan Documents, whether now or hereafter existing, whether now due or to become due, whether primary, secondary, direct, indirect, absolute, contingent or otherwise (including without limitation, obligations of performance), whether several or joint or joint and several.

1.1.83 “**Obligors**” means, collectively, the Borrower and the Guarantors.

1.1.84 “**OFAC**” means the Office of Foreign Assets Control of the United States Treasury Department.

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

1.1.86 “**Permitted Acquisition**” means any Acquisition by an Obligor from any Person, provided that:

- (a) the Lender consents in writing to such Acquisition;
- (b) the Person that is the subject of such Acquisition, or the business or line of business acquired, carries on the Business or a business reasonably related thereto in Canada;
- (c) after giving effect to such Acquisition on a Pro Forma Basis, the Borrower will be in compliance with the financial covenants set forth in Section 9.1.23 on a Pro Forma Basis as provided in Section 9.1.23(c), such compliance to be based on the twelve month period ending the last day of the most recently ended calendar month reported pursuant to Section 8.1(a);
- (d) the Lender will have a Lien over the Property to be acquired, subject only to Permitted Liens (and if such Acquisition is an Acquisition of Equity Interests of any Person, also a guarantee and a Lien over the assets of such Person, subject only to Permitted Liens), or arrangements reasonably satisfactory to the Lender shall have been made for the providing of such guarantee and the obtaining of such Liens, as applicable, within a period not to exceed 15 days following the date of such acquisition; and

- (e) no Default or Event of Default shall have occurred and be continuing immediately before and immediately after giving effect to any such Acquisition.

1.1.87 “**Permitted Cash Investments**” means an investment in any of the following:

- (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the Government of Canada or the United States or of any province or state thereof, as applicable (or by any agency or instrumentality of any of the foregoing to the extent such obligations are backed by the full faith and credit of the Government of Canada or the United States or of such province or state, as applicable);
- (b) investments in certificates of deposit, bankers’ acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of Canada or the United States or of any Canadian province or federal state in the United States having combined capital and surplus of not less than \$300,000,000 or the equivalent in any other currency; and
- (c) commercial paper of an issuer rated at least A-1+ or the equivalent thereof by a rating agency satisfactory to the Lender, and in each case maturing within six (6) months from the date of Acquisition.

1.1.88 “**Permitted Debt**” means:

- (a) Debt under this Agreement;
- (b) Debt in respect of Purchase Money Security Interests and Capital Leases in an outstanding amount not to exceed \$2,000,000 in aggregate at any time;
- (c) Intercompany Debt;
- (d) Permitted Junior Secured Debt
- (e) Permitted Junior Unsecured Debt;
- (f) Permitted Senior Debt;
- (g) Debt consented to in writing by the Lender from time to time and subject to the terms imposed by the Lender in connection with such consent; and
- (h) any other Debt of the Obligors not permitted by the preceding clauses and the outstanding principal amount of which does not exceed \$250,000 (or its equivalent) in aggregate at any time.

1.1.89 “**Permitted Disposition**” means (a) the Disposition of Inventory in the ordinary course of business, (b) the Disposition of used, worn-out or surplus Equipment

in the ordinary course of business or of Equipment being replaced, (c) Dispositions of Property between Obligor, (d) other Dispositions to the extent that no Default or Event of Default exists and the fair market value of the assets Disposed of pursuant to this clause (d) does not exceed during any Fiscal Year \$500,000, and (e) other Dispositions consented to in writing by the Lender.

1.1.90 “**Permitted Distribution**” means:

- (a) all cash amounts and dividends paid by any Obligor to another Obligor;
- (b) amounts payable in respect of the Permitted Senior Debt (pursuant to the terms of the Intercreditor Agreement);
- (c) amounts payable in respect of the Permitted Junior Secured Debt (pursuant to the terms of the Intercreditor Agreement);
- (d) amounts payable in respect of the Permitted Junior Unsecured Debt (pursuant to the terms of the Intercreditor Agreement);
- (e) directors’ fees paid by the Borrower in an aggregate amount in respect of any Fiscal Year not to exceed 125% of the directors’ fees paid in the Fiscal Year immediately prior (other than as a result of an increase in the number of directors where the fees payable to each director remain unchanged), so long as there exists no Default or Event of Default and such directors’ fees are consistent with the past practices of the Borrower when the Borrower’s financial performance has been comparable and are customary and reasonable for directors in a similar business to the Business;
- (f) the Thistle Special Bonus Payments so long as there exists no Default or Event of Default and no Default or Event of Default will occur as a consequence thereof;
- (g) all cash dividends paid by the Borrower to its shareholders in accordance with its dividend policy approved from time to time by the board of directors of the Borrower so long as there exists no Default or Event of Default and no Default or Event of Default will occur as a consequence thereof;
- (h) all purchases, redemptions, retirements or other acquisitions by the Borrower of any Equity Interests of the Borrower so long as there exists no Default or Event of Default and no Default or Event of Default will occur as a consequence thereof; and
- (i) in respect of any Distributions described in clause (d) of the definition thereof and not otherwise permitted in clauses (a) to (d) above, so long as there exists no Default or Event of Default and no Default or Event of Default will occur as a consequence thereof, any such other Distributions not to exceed in the aggregate \$250,000 in any Fiscal Year.

1.1.91 “**Permitted Investment**” means (a) Permitted Cash Investments, (b) Investments comprised of advances constituting Intercompany Debt, (c) Investments in Obligors; and (d) provided that no Default or Event of Default exists, Investments not permitted by the preceding clauses and which do not exceed, in the aggregate, \$250,000 in any Fiscal Year.

1.1.92 “**Permitted Junior Secured Debt**” means Debt under the Secured VTB Notes to an aggregate maximum amount of \$3,589,190.02 and which is subject to the terms of the Intercreditor Agreement.

1.1.93 “**Permitted Junior Secured Debt Document**” means, collectively, the Secured VTB Notes and each security document, agreement, document, certificate and instrument delivered by any Obligor pursuant thereto, or in respect thereof.

1.1.94 “**Permitted Junior Unsecured Debt**” means Debt under the Unsecured VTB Notes to an aggregate maximum amount of \$3,442,377.87 and which is subject to the terms of the Intercreditor Agreement.

1.1.95 “**Permitted Junior Unsecured Debt Document**” means, collectively, the Unsecured VTB Notes and agreement, document, certificate and instrument delivered by any Obligor pursuant thereto, or in respect thereof.

1.1.96 “**Permitted Jurisdictions**” means the United States and Canada.

1.1.97 “**Permitted Liens**” means, with respect to any Person, the following:

- (a) Liens for Taxes not yet due or for which installments 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 for which reasonable reserves under IFRS are maintained;
- (b) undetermined or inchoate liens, rights of distress and charges incidental to current operations which have not at such time been filed or exercised and of which the Lender has been given notice, or which 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;
- (c) reservations, limitations, provisos and conditions expressed in any original grants from the Crown or other grants of real or immovable property, or interests therein;
- (d) zoning, land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, state, municipal and other Governmental Authorities, licences, easements, servitudes, rights-of-way and rights in the nature of easements (including, without limiting the generality of the foregoing, licences, easements, servitudes, rights-of-way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables)

which do not materially impair the use of the affected land for the purpose for which it is used by that Person;

- (e) title defects, encroachments or irregularities or other matters relating to title which are of a minor nature and which in the aggregate do not materially impair the use of the affected property for the purpose for which it is used by that Person;
- (f) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, licence, contract, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, contract, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (g) Liens (other than any Lien imposed in respect of a Canadian Pension Plan or a US Employee Benefits Plan) resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers compensation, employment insurance, surety or appeal bonds, costs of litigation when required by law not to exceed \$250,000 in aggregate outstanding at any time, liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens, and public, statutory and other like obligations incurred in the ordinary course of business;
- (h) security given to a public utility or any municipality or Governmental Authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business provided that such security does not materially impair the use of the affected property for the purpose for which it is used by that Person;
- (i) 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 by that Person and does not result in an Event of Default;
- (j) the Security;
- (k) Liens existing as at the Closing Date with the particulars identified in Schedule 1.1.96 attached hereto;
- (l) Purchase Money Security Interests and Capital Leases, provided that such Liens secure Permitted Debt;
- (m) the extension, renewal or refinancing of a Permitted Lien, provided that the amount secured thereby does not exceed the amount secured thereby immediately prior to such extension, renewal or refinancing;
- (n) Liens securing Permitted Senior Debt;
- (o) Liens securing Permitted Junior Secured Debt so long as the Permitted Junior Secured Debt is subject to the terms of the Intercreditor Agreement; and

(p) such other Liens as agreed to in writing by the Lender.

1.1.98 “**Permitted Senior Debt**” means Debt outstanding from time to time under the Permitted Senior Debt Documents to an aggregate maximum amount of \$72,000,000 and which is subject to the terms of the Intercreditor Agreement.

1.1.99 “**Permitted Senior Debt Documents**” means:

(a) the Revolving Credit Agreement; and

(b) the IPD Term Credit Agreements.

1.1.100 “**Person**” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or foreign or local government (whether federal, provincial, state, county, city, municipal or otherwise), including, without limitation, any instrumentality, division, agency, body or department thereof.

1.1.101 “**PPSA**” means the *Personal Property Security Act* (Ontario), the Civil Code of Quebec or any other applicable Canadian federal or provincial statute pertaining to the granting, perfecting, opposability, priority, ranking or enforcement of security interests, liens, hypothecs on personal or movable property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time.

1.1.102 “**Prepayment Fee**” shall have the meaning ascribed to it in Section 3.2.1 hereof.

1.1.103 “**Pro Forma Adjustment**” means, for any twelve month period for which the financial covenants set forth in Section 9.1.23 are being tested as a result of a Permitted Acquisition or a Permitted Disposition of a division, line of business or Subsidiary, the pro forma increase or decrease in TTM EBITDA of the Borrower and its Subsidiaries arising from the calculation of TTM EBITDA as if such Permitted Acquisition or Permitted Disposition, and all other Permitted Acquisitions or other such Permitted Dispositions that have been consummated during the period, and any Debt or other liabilities incurred or repaid in connection therewith, had been consummated and incurred or repaid at the beginning of such period (and for such purpose (a) assuming that any such Debt to be incurred bears interest during any portion of such twelve month period prior to the relevant Acquisition at the interest rate which is or would be in effect with respect to such Debt as at the relevant date of determination, (b) in the case of TTM EBITDA on a basis that includes or excludes, as applicable, actual historical results of the business acquired or disposed of, and (c) in the case of any Permitted Acquisition, reflects any objective and readily quantifiable adjustments arising from such transaction acceptable to the Lender).

1.1.104 “**Pro Forma Basis**” means, for purposes of calculating compliance with each of the financial covenants set forth in Section 9.1.23 for each twelve month period of determination during which a Permitted Acquisition or a Permitted Disposition of a division, line of business or Subsidiary occurs, that such Permitted Disposition or

Permitted Acquisition shall be deemed to have occurred as of the first day of such applicable twelve month period after giving effect to any applicable Pro Forma Adjustments.

1.1.105 “**Product**” means each product, process or service under development, developed, manufactured, licenced, distributed, marketed or sold by an Obligor and any other products or services in which an Obligor has any proprietary rights or beneficial interests.

1.1.106 “**Property**” means, with respect to any Person, all or any portion of its undertaking, property or assets, whether real, immovable, personal, movable, or mixed, tangible or intangible, including for greater certainty any Equity Interests of a corporation or ownership interest in any other Person and all Intellectual Property.

1.1.107 “**Purchase Money Security Interest**” means a Lien created or assumed by an Obligor securing Debt incurred to finance the unpaid acquisition price of personal Property provided that (a) such Lien is created concurrently with or prior to the acquisition of such personal Property, (b) such Lien does not at any time encumber any Property other than the Property financed or refinanced (to the extent the principal amount is not increased) by such Debt, (c) the principal amount of Debt secured thereby is not increased subsequent to such acquisition, and (d) the principal amount of Debt secured by any such Lien at no time exceeds 100% of the original purchase price of such personal Property at the time it was acquired, and for the purposes of this definition the term “**acquisition**” shall include a Capital Lease and the term “**acquire**” shall have a corresponding meaning.

1.1.108 “**Regulatory Authority**” means any Governmental Authority that has responsibility in any country or group of countries over the development, manufacture or commercialization of a Product.

1.1.109 “**Requirements of Law**” means, as to any Person, the Organizational Documents of such Person and any Applicable Law, or determination of a Governmental Authority, in each case, applicable to or binding upon such Person or any of its business or Property or to which such Person or any of its business or Property is subject.

1.1.110 “**Revolving Credit Agreement**” means the credit agreement dated March 10, 2016 among Bank of Montreal, as lender and the Borrower, as borrower, as amended, supplemented, restated, refinanced or otherwise modified from time to time in accordance with the terms of the Intercreditor Agreement.

1.1.111 “**Sanctions**” means economic or financial sanctions pursuant to all Applicable Laws of Canada and the United States of America regarding sanctions and export controls of the Sanctions Authority, specifically the *United Nations Act*, *Special Economic Measures Act*, *Export and Import Permits Act*, *Freezing Assets of Foreign Corrupt Officials Act*, *Defense Production Act*, *Proceeds of Crime (Money Laundering) Terrorist Financing Act*, *Anti-Terrorism Act* and any other similar Canadian or American statute or regulation that is from time to time enacted.

1.1.112 “**Sanctions Authority**” means Canada, OFAC, the US Department of State or other governmental institutions, agencies and subdivisions.

1.1.113 “**Secured VTB Noteholder**” means, collectively, Capri Media Group Inc., 1959197 Ontario Inc. (formerly Eclipse Colour & Imaging Corp.) and any other Person who becomes a party to the Intercreditor Agreement from time to time as a VTB Noteholder (as defined therein) in accordance with the terms thereof.

1.1.114 “**Secured VTB Notes**” means, collectively:

- (a) the secured promissory note in the amount of \$3,494,419 issued to Capri Media Group Inc. by the Borrower and dated February 22, 2017;
- (b) the secured promissory note in the amount of \$2,282,995 issued to 1959197 Ontario Inc. (formerly Eclipse Colour & Imaging Corp.) by the Borrower dated February 22, 2017 and maturing February 22, 2019; and
- (c) each secured promissory note from time to time hereafter issued to a Secured VTB Noteholder.

1.1.115 “**Securities Account**” means any “securities account” as such term is defined in the STA or the UCC.

1.1.116 “**Security**” means all Liens and guarantees held from time to time by or on behalf of the Lender, securing or intending to secure, directly or indirectly, repayment of the Obligations and includes, without limitation, all security described in Article 6.

1.1.117 “**Security Documents**” means any guarantees and security documents granted by each of the Obligor to the Lender securing or intended to secure repayment of the Obligations, including without limitation, the documents set out in Article 6.

1.1.118 “**STA**” means the *Securities Transfer Act, 2006* (Ontario), *Securities Transfer Act* (Alberta) or any other applicable Canadian federal or provincial statute pertaining to the granting, perfecting, priority or ranking of security interests on securities, investment property or other financial investments or instruments, and any successor statutes.

1.1.119 “**Statutory Plan**” means any statutory employee benefit plan with respect to which an Obligor is required to comply, including the Canada Pension Plan, the Quebec Pension Plan and plans administered pursuant to Applicable Law regarding health, tax, workers’ compensation insurance and employment insurance.

1.1.120 “**Subsidiary**” means with respect to a Person, any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time stock of any other class of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned by the Person or by any partnership, joint venture or other entity of

which more than fifty percent (50%) of the outstanding equity interests are at the time, directly or indirectly, owned by the Person.

1.1.121 “**Target**” means, collectively, Perennial Group of Companies Inc., Perennial Inc. and The Finished Line Studios Inc.

1.1.122 “**Target Acquisition**” means the acquisition by the Borrower of all of the issued and outstanding shares of each Target pursuant to the Target Acquisition Agreement.

1.1.123 “**Target Acquisition Agreement**” means the share purchase agreement among *inter alios*, the Borrower, as purchaser, and Christopher G. Lund, Marina Lund and The Lund Family Trust, as sellers, dated April 30, 2018.

1.1.124 “**Target Business**” means the creation and delivery of design strategies and ancillary and related services.

1.1.125 “**Target Obligors**” means, collectively, Perennial Inc., Perennial Group of Companies Inc. and The Finished Line Studios Inc.

1.1.126 “**Taxes**” shall have the meaning ascribed to it in Section 12.2 hereof.

1.1.127 “**Thistle Special Bonus Payments**” means [TEXT REDACTED: The omitted text sets forth information on the bonus payments.].

1.1.128 “**TSX**” means the Toronto Stock Exchange.

1.1.129 “**TTM EBITDA**” means, at any date, EBITDA for the twelve (12) months immediately preceding such date.

1.1.130 “**UCC**” means the Uniform Commercial Code as adopted in the State of Delaware from time to time.

1.1.131 “**US Employee Benefit Plan**” means (a) any “employee welfare plan”, as such term is defined in Section 3(1) of ERISA, which provides material post-retirement healthcare benefits, and (b) any “pension benefit plan”, as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA, including without limitation any “multiemployer plan”, as such term is defined in Section 3(37) of ERISA, to which a Obligor, or any member of the Controlled Group, has or may reasonably be expected to have any liability or contingent liability of any kind whatsoever.

1.1.132 “**Unsecured VTB Notes**” means, collectively,:

- (a) the unsecured promissory note in the principal amount (prior to amortization thereof) of \$609,411.88 issued to Kevin McCoy by the Borrower and dated November 10, 2017, as amended;

- (b) the unsecured promissory note in the principal amount (prior to amortization thereof) of \$491,913.18 issued to Karen McCoy by the Borrower dated November 10, 2017, as amended; and
- (c) the unsecured promissory note in the amount of \$2,500,000 issued to Marina Lund by the Borrower to be dated the Funding Date.

1.1.133 “**Unsecured VTB Noteholder**” means, collectively, Kevin McCoy, Karen McCoy and Marina Lund.

1.1.134 “**Violation Notice**” means any notice received by a Person, from any Governmental Authority under any Environmental Law that such Person or any of its Property is not in compliance with the requirements of any Environmental Law, if such non-compliance would reasonably be expected to have a Material Adverse Effect.

1.1.135 “**Warrant Exercise Price**” means \$1.75 per common share.

1.1.136 “**Warrant Fee**” shall have the meaning ascribed to it in Section 4.6(b) hereof.

1.1.137 “**Warrants**” means the warrants to purchase common shares of the Borrower issuable to the Lender pursuant to Section 4.6(b) in the form set forth in Schedule 4.6(b).

## 1.2 Schedules and Exhibits.

The following are the Schedules and Exhibits to this Agreement, which are deemed to be a part of this Agreement:

|                 |   |  |
|-----------------|---|--|
| Schedule 1.1.56 | – | Guarantors   |
| Schedule 1.1.60 | – | Intercompany Debt  |
| Schedule 1.1.96 | – | Permitted Liens  |
| Schedule 4.6(b) | – | Warrants   |
| Schedule 7.1.6  | – | Intellectual Property  |
| Schedule 7.1.7  | – | Obligors’ Names  |
| Schedule 7.1.8  | – | Corporate Structure<br>Subsidiaries, Affiliates, Joint Ventures And Partnerships |
| Schedule 7.1.9  | – | Judgments and Litigation   |
| Schedule 7.1.10 | – | Material Contracts and Material Licences   |
| Schedule 7.1.15 | – | Taxes  |
| Schedule 7.1.18 | – | Non-Arm’s Length Transactions  |
| Schedule 7.1.19 | – | Location of Collateral   |
| Schedule 7.1.20 | – | Owned Real Property  |
| Schedule 7.1.21 | – | Leased Real Property   |
| Schedule 7.1.23 | – | Labour Matters   |
| Schedule 7.1.24 | – | Employee Benefit Plans and Pension Plans   |
| Schedule 7.1.25 | – | Liability Under Employee Benefit Plans and Pension Plans                         |
| Schedule 7.1.29 | – | Insurance  |
| Schedule 7.1.38 | – | Customer and Trade Relations   |

|                    |   |                                     |
|--------------------|---|-------------------------------------|
| Schedule 7.1.32    | – | Bank Accounts and Security Accounts |
| Schedule 7.1.40(a) | – | Regulatory Matters                  |
| Schedule 8.2       | – | Officer’s Compliance Certificate    |

### **1.3 Accounting Terms and Definitions.**

Unless otherwise defined or specified herein, all defined terms in Section 1.1 as used in this Agreement shall have the meanings set out in such paragraph, and all accounting terms used in this Agreement shall be construed in accordance with IFRS, applied on a basis consistent in all material respects with the annual Audited Financial Statements, except as otherwise specifically prescribed herein. All accounting determinations for purposes of determining compliance with the financial covenants contained herein shall be made in accordance with IFRS as in effect on the Closing Date (unless and to the extent otherwise stipulated herein) and applied on a basis consistent in all material respects with the Audited Financial Statements, except as otherwise specifically prescribed herein. Except as otherwise specified herein, the financial statements required to be delivered hereunder from and after the Closing Date, and all financial records, shall be maintained in accordance with sound accounting practices including, if applicable, IFRS. If IFRS shall change from the basis used in preparing the Audited Financial Statements, the Compliance Certificates required to be delivered pursuant to Section 8.2 demonstrating compliance with the covenants contained herein shall include, at the election of the Borrower or upon the request of the Lender, calculations setting forth the adjustments necessary to demonstrate how the Borrower is in compliance with the financial covenants based upon IFRS as in effect on the Closing Date.

### **1.4 Supplements, Re-enactments, Etc.**

References herein to any document or legislation are, unless otherwise stated, to be construed as references to such document or legislation as amended, restated or supplemented from time to time and references to any enactment include re-enactments, amendments and extensions thereof.

### **1.5 Headings of Subdivisions.**

The headings of subdivisions in this Agreement are for convenience of reference only, and shall not govern the interpretation of any of the provisions of this Agreement.

### **1.6 Gender and Number.**

Words importing the singular include the plural and vice versa and words importing gender include all genders.

### **1.7 Monetary References.**

Any reference in this Agreement to “**Dollars**”, “**dollars**” or the sign “**\$**” shall be deemed to be a reference to lawful money of Canada, unless otherwise expressly stated.

### **1.8 Actions on Days Other Than Business Days.**

Except as otherwise specifically provided herein, where any payment is required to be made or any other action is required to be taken on a particular day and such day is not a Business Day and, as a result, such payment cannot be made or action cannot be taken on such day, then this Agreement shall be deemed to provide that such payment shall be made or such action shall be taken on the first Business Day after such day.

### **1.9 Permitted Liens**

The inclusion of reference to Permitted Liens in any Loan Document is not intended to subordinate and shall not subordinate, and shall not be interpreted as subordinating any Lien created by any of the Security to any Permitted Lien unless the Lender agrees.

### **1.10 Québec Interpretation Clause**

For purposes of any assets, liabilities or entities located in the Province of Québec and for all other purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of the Province of Québec or a court or tribunal exercising jurisdiction in the Province of Québec, (i) “personal property” shall be deemed to include “movable property”, (ii) “real property” shall be deemed to include “immovable property”, (iii) “tangible property” shall be deemed to include “corporeal property”, (iv) “intangible property” shall be deemed to include “incorporeal property”, (v) “security interest”, “mortgage” and “lien” shall be deemed to include a “hypothec”, “prior claim”, “reservation of ownership” and a “resolatory clause”, (vi) all references to filing, registering or recording under the UCC or PPSA shall be deemed to include publication under the Civil Code of Québec, (vii) all references to “perfection” of or “perfected” liens or security interest shall be deemed to include a reference to an “opposable” or “set up” security as against third parties, (viii) any “right of offset”, “right of setoff” or similar expression shall be deemed to include a “right of compensation”, (ix) “goods” shall be deemed to include “corporeal movable property” other than chattel paper, documents of title, instruments, money and securities, (x) an “agent” shall be deemed to include a “mandatary”, (xi) “construction liens” shall be deemed to include “legal hypothecs in favour of persons having taken part in the construction or renovation of an immovable”; (xii) “joint and several” shall be deemed to include “solidary”; (xiii) “gross negligence or willful misconduct” shall be deemed to be “intentional or gross fault”; (xiv) “beneficial ownership” shall be deemed to include “ownership”; (xv) “registered title” shall be deemed to include, where applicable, “holding title on behalf of an owner as mandatary or prête-nom”; (xvi) “easement” shall be deemed to include “servitude”; (xvii) “priority” shall be deemed to include “rank” or “prior claim”, as applicable; (xviii) “survey” shall be deemed to include “certificate of location and plan”; (xix) “state” shall be deemed to include “province”; (xx) “fee simple title” shall be deemed to include “ownership” (including ownership under a right of superficies); (xxi) “ground lease” shall be deemed to include “emphyteusis” or a “lease with a right of superficies”, as applicable; (xxii) “leasehold interest” shall be deemed to include “a valid lease”; and (xxiii) “lease” shall be deemed to include a “leasing contract”. The parties hereto confirm that it is their wish that this Agreement and any other document executed in connection with the transactions contemplated herein be drawn up in the English language only and that all other documents contemplated thereunder or relating thereto, including notices, may also be drawn up in the English language only. *Les parties aux*

*présentes confirment que c'est leur volonté que cette convention et les autres documents de crédit soient rédigés en langue anglaise seulement et que tous les documents, y compris tous avis, envisagés par cette convention et les autres documents peuvent être rédigés, en la langue anglaise seulement.*

## **ARTICLE 2 - TERMS OF THE LOAN**

### **2.1 The Loan.**

Subject to the terms and conditions of this Agreement and the other Loan Documents, the Lender agrees to loan to the Borrower in lawful money of Canada the principal amount of \$12,000,000 to or for the account of the Borrower (the "**Loan**").

### **2.2 Advance.**

The Loan will be available to the Borrower in one (1) advance on the Funding Date and the Borrower hereby irrevocably authorizes the Lender to make the advance on the Funding Date.

### **2.3 Use of Proceeds**

The proceeds of the Loan shall only be used by the Borrower to (a) pay in part the purchase price of the Target Acquisition, (b) pay the expenses related to the Target Acquisition or related to this Agreement and the other Loan Documents, (c) repay in full the obligations of the Borrower to Bridging Finance Inc., and (d) fund working capital expenses of the Borrower.

## **ARTICLE 3 - PAYMENT**

### **3.1 Payments on Principal.**

3.1.1 The Borrower shall pay in full to the Lender the outstanding principal amount of the Loan, together with all accrued and unpaid interest thereon and any other accrued and unpaid Obligations (including, in the case of clause (b) below, any Prepayment Fee), on the earliest to occur of: (a) the Maturity Date; and (b) the date of the acceleration of the Obligations pursuant to Section 11.2 of this Agreement.

3.1.2 All payments to be made by the Borrower to the Lender hereunder shall be made to the Lender by wire transfer in accordance with the wire instructions given by the Lender to the Borrower in writing from time to time.

### **3.2 Optional Prepayments.**

3.2.1 Subject to the terms hereof, the Borrower may, subject to the concurrent payment to the Lender of a prepayment fee calculated in accordance with Section 3.2.2 (the "**Prepayment Fee**"), prepay in full (but not in part) the entire outstanding balance of the Loan together with all accrued and unpaid interest thereon, at any time after twenty-four (24) months have elapsed following the Funding Date, provided that the Lender receives ten (10) Business Days' prior written notice of such prepayment.

3.2.2 The Prepayment Fee shall be equal to the percentage (set forth in Column B below and shown opposite of the relevant prepayment date set forth in Column A below) of the amount of the outstanding principal amount of the Loan being prepaid in accordance with Section 3.2.1:

| <b>Column A</b><br><u>Repayment Date</u>                              | <b>Column B</b><br><u>Prepayment Fee (%)</u>                                      |
|---|---|
| ≥ 24 months after the Funding Date < 36 months after the Funding Date | [TEXT REDACTED: The omitted text sets forth an amount expressed as a percentage.] |
| ≥ 36 months after the Funding Date < 48 months after the Funding Date | [TEXT REDACTED: The omitted text sets forth an amount expressed as a percentage.] |
| ≥ 48 months after the Funding Date < 60 months after the Funding Date | [TEXT REDACTED: The omitted text sets forth an amount expressed as a percentage.] |

3.2.3 Any amounts prepaid or repaid shall not be reborrowed. All amounts prepaid or repaid shall be applied (a) firstly, in reduction of accrued and unpaid interest and all other amounts then outstanding (other than the principal amount of the Loan), and (b) thereafter, in reduction of the principal amount of the Loan being prepaid or repaid.

### **3.3 General Matters.**

All payments made by the Borrower shall be made without set-off, recoupment or counterclaim. The Loan made by the Lender, including rates of interest, fees and other charges, may be evidenced by entries upon the books and records maintained by the Lender which books and records shall constitute conclusive evidence thereof in the absence of manifest error.

## **ARTICLE 4 - INTEREST, FEES AND CHARGES**

### **4.1 Rate of Interest.**

Subject to Section 4.3, the principal amount of the Loan and other outstanding Obligations shall bear interest from the Funding Date to the date paid, and at a rate equal to, ten percent (10%) per annum and such interest shall be payable in arrears in accordance with Section 4.2 and calculated in accordance with Section 4.4.

### **4.2 Payment of Interest.**

The Borrower shall pay the Lender all accrued and unpaid interest on the principal amount of the Loan and the outstanding amount of the other Obligations quarterly in arrears in cash on each Interest Payment Date, starting with the first Interest Payment Date falling on July 3, 2018.

#### **4.3 Default Rate of Interest.**

Upon and after the occurrence of an Event of Default under Section 11.1, and during the continuation thereof, the principal amount of the Loan and the other Obligations shall bear interest at a rate per annum equal to the interest rate otherwise payable pursuant to Section 4.1 plus 200 basis points and such interest shall be calculated in accordance with Section 4.4 and shall be payable on demand by the Lender.

#### **4.4 Computation of Interest and Fees.**

Interest hereunder shall be determined daily and payable quarterly not in advance, both before and after demand, default and judgment and shall be computed on the actual number of days elapsed over a year of three hundred and sixty-five (365) days or three hundred and sixty-six (366) days, as the case may be. For the purpose of the *Interest Act* (Canada) only, the yearly rates of interest to which the rates applicable to the Loan are equivalent are the rates so determined, multiplied by the actual number of days in the year divided by three hundred and sixty-five (365) or three hundred and sixty-six (366), as the case may be.

The Lender agrees that if requested in writing by the Borrower it shall calculate the nominal and effective per annum rate of interest on any Obligations outstanding at any time and provide such information to the Borrower promptly following such request, provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve the Borrower or any other Obligor of any of its obligations under this Agreement or any other Loan Document, nor result in any liability to the Lender. THE BORROWER HEREBY IRREVOCABLY AGREES NOT TO PLEAD OR ASSERT, WHETHER BY WAY OF DEFENCE OR OTHERWISE, IN ANY PROCEEDING RELATING TO THE LOAN DOCUMENTS, THAT THE INTEREST PAYABLE UNDER THE LOAN DOCUMENTS AND THE CALCULATION THEREOF HAS NOT BEEN ADEQUATELY DISCLOSED TO THE BORROWER OR ANY OTHER OBLIGOR, WHETHER PURSUANT TO SECTION 4 OF THE *INTEREST ACT* (CANADA) OR ANY OTHER APPLICABLE LAW OR LEGAL PRINCIPLE.

#### **4.5 Maximum Interest.**

4.5.1 It is the intent of the parties that the rate of interest and the other charges to the Borrower under this Agreement shall be lawful; therefore, if for any reason the interest or other charges payable under this Agreement are found by a court of competent jurisdiction, in a final determination, to exceed the limit which the Lender may lawfully charge the Borrower, then the obligation to pay interest and other charges shall automatically be reduced with retroactive effect to such limit and, if any amount in excess of such limit shall have been paid, then such amount shall be refunded to the Borrower.

4.5.2 Any amount or rate of interest referred to in this Section 4.5 shall be determined in accordance with generally accepted actuarial practices and principles over the maximum term of this Agreement (or over such shorter term as may be required by Section 347 of the *Criminal Code* (Canada) or any other Applicable Law) and, in the

event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall be conclusive for the purposes of such determination, absent manifest error.

#### **4.6 Cash Fee and Warrant Fee.**

The Borrower shall pay to the Lender a financing fee as follows:

- (a) an amount equal to [TEXT REDACTED: The omitted text sets forth an amount expressed as a percentage.] of the aggregate amount of the Loan (being [TEXT REDACTED: The omitted text sets forth the dollar amount.]) in cash (the “**Cash Fee**”), which shall be fully earned, non-refundable and payable in full on the Funding Date. The Borrower hereby irrevocably authorizes the Lender to deduct the Cash Fee (less any amount applied in payment thereof pursuant to Section 4.8) from the advance of the Loan prior to its disbursement to the Borrower on the Funding Date; and
- (b) provided that the Lender shall have delivered to the Borrower a certificate representing as to its status as an “accredited investor” within the meaning of National Instrument 45-106 (the “**Accredited Investor Certificate**”) 960,000 warrants in respect of common shares in the capital of the Borrower (the “**Warrant Fee**”), to be issued by the Borrower to the Lender irrevocably on the Closing Date, and exercisable by the Lender in whole or in part at any time from the Closing Date to the date that is five (5) years from the Funding Date at a price per common share equal to the Warrant Exercise Price (as adjusted for any share splits, consolidations or stock dividends).

#### **4.7 Lender’s Expenses.**

The Borrower shall reimburse the Lender for all reasonable costs and expenses (including without limitation, reasonable consultant’s fees and expenses and reasonable legal fees and expenses in each applicable jurisdiction) incurred by the Lender in connection with: (a) the documentation and consummation of this transaction (whether or not this transaction is consummated) and any amendments to this Agreement or waivers or consents entered into in connection with this Agreement including in each case, without limitation, security and other public record searches, lien filings, express mail or similar express or messenger deliveries and, due diligence costs and expenses; and (b) in seeking to collect, protect or enforce any rights in or to the Collateral or incurred by the Lender in seeking to collect any Obligations and to administer and enforce any of its rights under this Agreement and the other Loan Documents. All such costs, expenses and charges shall constitute Obligations hereunder, shall be payable by the Borrower to the Lender on demand and, if overdue by 30 days or more, until paid, shall bear interest at the Deemed Interest Rate.

#### **4.8 Deposit.**

The Lender acknowledges having received [TEXT REDACTED: The omitted text sets forth the dollar amount.] from the Borrower in respect of the Cash Fee payable pursuant to Section 4.6(a) and the closing expenses payable pursuant to Section 4.7 (the “**Deposit**”). The parties hereto

agree that the Deposit will be applied, first, to closing expenses payable by the Borrower pursuant to Section 4.7 and, if any amount remains, secondly, to the Cash Fee payable pursuant to Section 4.6(a).

#### **4.9 Increased Costs.**

Notwithstanding any other provision herein, in the event that the introduction of or any change in any Applicable Law or in the interpretation or application thereof, or compliance by the Lender with any request or directive (whether or not having the force of law) from any Governmental Authority:

- (a) subjects the Lender to any new Tax of any kind whatsoever with respect to this Agreement, the other Loan Documents or the Loan, or changes the basis of taxation of payments to the Lender of principal, interest or any other amount payable hereunder (except for changes in the rate of Tax imposed on the overall net income of the Lender); or
- (b) imposes, modifies, holds applicable any reserve, special deposit, compulsory loan or similar requirement against Property held by, or deposits or other obligations in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of the Lender;

and the result of any of the foregoing is to materially increase the cost to the Lender of agreeing to make, making, continuing or maintaining or participating in the Loan, or to materially reduce any amount receivable thereunder or to materially increase the withholding Taxes payable then, in any such case, the Borrower shall pay the Lender, after demand by the Lender, any additional amounts necessary to compensate the Lender on an after-Tax basis for such additional cost or reduced amount receivable or increased withholding Taxes payable with respect to any Loan Document or the Loan.

#### **4.10 Illegality.**

If any Applicable Law coming into force after the Closing Date, or if any change in any existing Applicable Law or in the interpretation or application thereof by any court or Governmental Authority, now or hereafter makes it unlawful for the Lender to have advanced or acquired interest in the Loan or to give effect to its obligations in respect thereof, the Lender may, by written notice thereof to the Borrower, declare its obligations under this Agreement to be terminated, and the Borrower shall prepay, within the time required by such law, the principal amount of the Loan together with accrued interest thereon and any other amounts owing under this Agreement as may be applicable to the date of such payment (excluding for the avoidance of doubt, any amount of the Prepayment Fee). If any such event shall, in the opinion of the Lender, only affect part of its obligations under this Agreement, the remainder of this Agreement shall be unaffected and the obligations of the Borrower under the Loan Documents shall continue.

## **ARTICLE 5 - TERMINATION**

### **5.1 Termination.**

This Agreement shall be in effect from the date hereof until the indefeasible repayment and performance in full of the Obligations. If the due date of the Obligations is accelerated pursuant to Article 11 hereof or if the Borrower prepays the Loan in accordance with Section 3.2 hereof, this Agreement shall terminate on the date that all such Obligations are indefeasibly paid and performed in full. At such time as the Borrower has repaid and performed in full all of the Obligations and this Agreement has terminated:

- (a) the Borrower shall provide a release of any obligations of the Lender and its Affiliates, in form and substance reasonably satisfactory to the Lender; and
- (b) upon the Borrower's request, the Lender shall, at the Borrower's cost and expense, deliver to the Borrower a termination, discharge and release of all Security in form and substance reasonably satisfactory to the Borrower and such other documents and instruments as the Borrower may reasonably request in order to effect or evidence the termination of this Agreement and the Security.

### **5.2 Continuing Obligations.**

Nothing in Section 5.1 shall affect any liabilities and obligations of any Obligor or the Lender set out in this Agreement or in any other Loan Document which are stated to survive payment of the Obligations and termination of this Agreement or the Loan Documents, as the case may be.

## **ARTICLE 6 - SECURITY AND COLLATERAL**

### **6.1 Security**

On or prior to the Funding Date, as continuing collateral security for the payment and satisfaction of all Obligations, the Borrower shall deliver or cause to be delivered to the Lender the following Security, all of which shall be in form and substance satisfactory to the Lender:

- (a) an unlimited guarantee from each Guarantor, in each case guaranteeing the due payment and performance of all Obligations;
- (b) a general security agreement from each Obligor, in each case constituting a first-ranking Lien (subject only to Permitted Liens) on all of the present and future Property of such Obligor (or such similar document as may be required in the jurisdiction in which such Obligor owns assets);
- (c) a hypothec from each Obligor that owns any moveable or immovable property in the province of Quebec or has its registered or head office in the Province of Quebec, constituting a first ranking Lien (subject only to Permitted Liens) on such assets;

- (d) an Intellectual Property security agreement from each Obligor that owns Intellectual Property, constituting a first-ranking Lien (subject any to Permitted Liens) on all the present and future Intellectual Property of such Obligor;
- (e) a securities pledge agreement from each Obligor constituting a first-ranking Lien (subject only to Permitted Liens) on all of the Equity Interests owned by such Obligor, together with Equity Interests Perfection Documents required in connection therewith;
- (f) an assignment of the interest of each Obligor in all Material Contracts and Material Licences of such Obligor; and
- (g) an assignment of the interest of each Obligor in all insurance policies held by or for the benefit of such Obligor.

## **6.2 Further Assurances.**

Each Obligor shall take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the Lender such agreements, documents and instruments as the Lender shall request, and register, file or record the same (or a notice or financing statement in respect thereof) in all offices where such registration, filing or recording is, in the opinion of the Lender or Lender's counsel, necessary or advisable to constitute, perfect and maintain the Security as first-ranking Liens of the Obligor or the Person granting such Liens, subject only to the Permitted Liens, in all jurisdictions reasonably required by the Lender, in each case within a reasonable time after the request therefor by the Lender or Lender's counsel, and in each case in form and substance satisfactory to the Lender and Lender's counsel, acting reasonably. For certainty, upon the earlier of (a) the request of the Lender, and (b) the release of those Liens in favour of Bank of Montreal and the IPD Term Lenders securing the Permitted Senior Debt, each Obligor shall promptly provide to the Lender a Control Agreement with the account bank in respect of each deposit account, in each case in form and substance satisfactory to the Lender.

## **6.3 Security Effective Notwithstanding Date of Advance.**

The Security shall be effective and the undertakings in this Agreement and the other Loan Documents with respect thereto shall be continuing, whether the monies hereby or thereby secured or any part thereof shall be advanced before or after or at the same time as the creation of any such Security or before or after or upon the date of execution of this Agreement. The Security shall not be affected by any payments on this Agreement or any of the other Loan Documents, but shall constitute continuing security to and in favour of the Lender for the Obligations from time to time.

## **6.4 No Merger.**

The Security shall not merge in any other security. No judgment obtained by or on behalf of the Lender shall in any way affect any of the provisions of this Agreement, the other Loan Documents or the Security. For greater certainty, no judgment obtained by or on behalf of the Lender shall in any way affect the obligation of the Borrower to pay interest or other amounts at the rates, times and in the manner provided in this Agreement.

## **6.5 Release of Security.**

Following the indefeasible repayment and performance in full of all Obligations, the Lender will, at the cost and expense of the Borrower, release and discharge the right and interest of the Lender in the Collateral in accordance with Section 5.1.

If any Property of the Obligors is Disposed of as permitted by this Agreement or is otherwise released from the Security at the direction or with the consent of the Lender, at the request, cost and expense of the Borrower (on satisfaction, or on being assured of concurrent satisfaction, of any condition to or obligation imposed with respect to such Disposition), the Lender shall discharge such Property from the Security and deliver and re-assign to the relevant Obligor or its Subsidiaries (without any representation or warranty) any of such Property as is then in the possession of the Lender.

## **ARTICLE 7 - REPRESENTATIONS AND WARRANTIES**

### **7.1 Representations and Warranties.**

To induce the Lender to enter into this Agreement and make the Loan, each of the Obligors hereby makes the following representations and warranties:

7.1.1 **Existence and Qualification.** Each Obligor: (a) has been duly incorporated, amalgamated, formed, merged or continued, as the case may be, and is validly subsisting and in good standing as a corporation, limited liability company, company or partnership, under the laws of its jurisdiction of incorporation, amalgamation, merger, formation or continuance, as the case may be (or in the case of Obligors which are not corporations, has been duly created or established as a partnership or other applicable entity and validly exists under and is governed by the laws of the jurisdiction in which it has been created or established), (b) is duly qualified to carry on its business in each jurisdiction in which it carries on business except for non-qualification which has no Material Adverse Effect on the Business, and (c) has all required Material Licences.

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

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

**7.1.4 Compliance with Applicable Laws, Organizational Documents and Contractual Obligations.** None of the execution or delivery of, the consummation of the transactions contemplated in, or the compliance with the terms, conditions and provisions of any of, the Loan Documents by any Obligor conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under or contravention of, any Requirement of Law in any material respect, any Obligor's Organizational Documents or any Material Contract or Material Licence in each case in any manner that would reasonably be expected to result in a Material Adverse Effect, or results or will result in the creation or imposition of any Liens upon any of its Property except for Permitted Liens.

**7.1.5 Consent Respecting Loan Documents.** Each Obligor has obtained, made or taken all consents, approvals, authorizations, declarations, registrations, filings, notices and other actions whatsoever required (except for registrations or filings which may be required in respect of the Security Documents) to enable it to execute and deliver each of the Loan Documents to which it is a party, including for certainty the Warrants, and to consummate the transactions contemplated in the Loan Documents.

**7.1.6 Intellectual Property.**

- (a) Each Obligor possesses, and shall continue to possess, adequate Intellectual Property rights to continue to conduct its Business as heretofore conducted by it, details of all of which as of the Closing Date are described on Schedule 7.1.6.
- (b) Except as disclosed in Schedule 7.1.6:
  - (i) the Obligors, have the right to use the Intellectual Property;
  - (ii) to the knowledge of the Obligors, the Intellectual Property and the conduct of the Business by the Obligors and does not infringe upon or breach the intellectual property rights of any other Person in any manner that would reasonably be expected to result in a Material Adverse Effect;
  - (iii) to the knowledge of the Obligors, there has been no unauthorized use or improper use by the Obligors (or any Person granted rights to the Intellectual Property by the Obligors) of the trademarks held by the Obligors which has affected or will affect the distinctiveness thereof or rights therein;
  - (iv) to the knowledge of the Obligors, there has been no action or omission by the Obligors (or any Person granted rights to the Intellectual Property by the Obligors) in respect of the Intellectual Property held by the Obligors which has rendered or will render the Intellectual Property abandoned, invalid or unenforceable;
  - (v) to the knowledge of the Obligors, no Person is infringing or breaching any of the Intellectual Property held by the Obligors;

- (vi) no Obligor has received any written notice challenging an Obligor, or threatening to challenge an Obligor, respecting the validity of, use of or ownership of the Intellectual Property, and to the knowledge of the Obligors, there are no facts upon which such a challenge could be made; and
- (vii) the Obligors will be entitled to continue to use, practice and exercise rights in, all of the Intellectual Property, to the same extent and in the same manner as used, practiced and exercised by the Obligors prior to the Closing Date without additional financial obligation to any Person.

7.1.7 **Current and Prior Names.** Each Obligor’s current and prior names, trade-names and division names are described on Schedule 7.1.7.

7.1.8 **Corporate Structure.**

- (a) The corporate structure of each Obligor and all of its Subsidiaries, partnerships and joint ventures is as set out in Schedule 7.1.8.
- (b) As of the Closing Date, (a) the authorized capital of the Borrower and its Subsidiaries is as provided in Schedule 7.1.8, of which the number of issued and outstanding Equity Interests and, in the case of the Obligors other than the Borrower, the beneficial owners thereof at such time is provided for in Schedule 7.1.8, and (b) no Person has an agreement or option or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued Equity Interests in the capital of any Obligor except as provided in Schedule 7.1.8. Except as disclosed on Schedule 7.1.8, no Obligor is engaged in any joint venture or partnership with any other Person, and Schedule 7.1.8 provides a correct description of all such partnerships and joint ventures.

7.1.9 **Judgments and Litigation.** Except as described in (a) Part I of Schedule 7.1.9, there are no actions, suits, counterclaims or proceedings which are pending or threatened against any Obligor which if adversely determined (i) would reasonably be expected to result in potential liability in excess of \$500,000, or (ii) would have a Material Adverse Effect, and (b) Part II of Schedule 7.1.9, no Obligor is subject to any material judgment, order, writ, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) which has not been stayed or of which enforcement has not been suspended which (i) would reasonably be expected to result in potential liability in excess of \$500,000, or (ii) would reasonably be expected to have a Material Adverse Effect.

7.1.10 **Material Contracts and Licences.** Schedule 7.1.10 (as amended from time to time and updated in accordance with delivery of a Compliance Certificate pursuant to Section 8.2), accurately sets out all Material Contracts and Material Licences. A true and

complete certified copy of each Material Contract and Material Licence existing at the Closing Date has been delivered to the Lender and each Material Contract and Material Licence is in full force and effect. No event has occurred and is continuing which would constitute a material breach of or a default under any Material Contract or Material Licence. Each Material Contract to which an Obligor is a party is binding upon such Obligor and, to its knowledge, is a binding agreement of each other Person who is a party to the Material Contract. It has obtained, as of the Closing Date, all necessary consents, including consents of landlords, if applicable, to the granting of a security interest in each Material Contract and Material Licence pursuant to the Security Documents.

7.1.11 **No Liens.** No security agreement, financing statement or analogous instrument exists as at the Closing Date with respect to any of the Collateral other than any security agreement, financing statement or analogous instrument creating or evidencing Permitted Liens.

7.1.12 **Title to Collateral.** Each Obligor is the lawful owner of all Collateral now purportedly owned or hereafter purportedly acquired by it, free from all Liens, whether voluntarily or involuntarily created and whether or not perfected, other than Permitted Liens and, as of the Closing Date, no Person has any agreement or right to acquire an interest in such assets other than pursuant to a Permitted Disposition.

7.1.13 **Financial Information.** All of the monthly, quarterly and annual Financial Statements which have been furnished to the Lender, in connection with this Agreement are complete in all material respects and such Financial Statements fairly present the Consolidated results of operations and financial position of the Borrower and its Subsidiaries as of the dates referred to therein and have been prepared in accordance with IFRS. All other financial information (including, without limitation, the Annual Budget) provided to the Lender is complete in all material respects, based on reasonable assumptions and expectations and has been prepared in good faith. None of the Obligors has any liabilities (contingent or other) or other obligations of the type required to be disclosed in accordance with IFRS which are not fully disclosed on its Financial Statements provided to the Lender for the fiscal period ended December 31, 2017 other than liabilities and obligations incurred in the ordinary course of its business and in connection with the Obligations.

7.1.14 **Permitted Debt.** As of the Closing Date (giving effect to the making of the Loan and the application of the proceeds thereof), no Obligor is obligated, whether directly or indirectly, for any Debt other than the Permitted Debt.

7.1.15 **Taxes.** Except as disclosed in Schedule 7.1.15, each Obligor has duly and timely filed all Tax returns required to be filed by it and has paid or made adequate provision for the payment of all Taxes levied on its Property or income which are showing therein as due and payable, including interest and penalties, or has accrued such amounts in its financial statements for the payment of such Taxes except for Taxes which are not material in amount or which are not delinquent or if delinquent are being contested, and there is no material action, suit, proceeding, investigation, audit or claim now pending, or to its knowledge, threatened by any Governmental Authority regarding

any Taxes nor has it or any other Obligor agreed to waive or extend any statute of limitations with respect to the payment or collection of Taxes.

7.1.16 **Full Disclosure.** All information provided or to be provided to the Lender by or on behalf of each Obligor in connection with the Loan is, to such Obligor's knowledge, true and correct in all material respects and none of the documentation furnished to the Lender by or on behalf of it, to such Obligor's knowledge, omits or will omit as of such time, a fact necessary to make the statements contained therein not misleading in any material way, and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds (and any other Person who furnished such material on behalf of it).

7.1.17 **Insolvency.** None of the Obligors nor any of their respective predecessors where applicable (a) has committed any act of bankruptcy, (b) is insolvent, or has proposed, or given notice of its intention to propose, a compromise or arrangement to its creditors generally, or (c) has any petition for a receiving order in bankruptcy filed against it, made a voluntary assignment in bankruptcy, taken any proceeding with respect to any compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound-up, taken any proceeding to have a receiver appointed of any part of its Property.

7.1.18 **Non-Arm's Length Transactions.** As at the Closing Date, all agreements, arrangements or transactions between any Obligor, on the one hand, and any Associate or Affiliate of such Obligor or other Person not dealing at Arm's Length with such Obligor, on the other hand, in an amount exceeding \$100,000 in the aggregate are set forth on Schedule 7.1.18.

7.1.19 **Location of Collateral.** The offices where each Obligor keeps its books, records and accounts (or copies thereof) concerning the Collateral, the Obligor's registered or head office and principal place of business and all of the Obligors' other places of business generating gross revenue in any Fiscal Year in excess of \$100,000 and locations storing Collateral with a fair market value in excess of \$100,000 in the aggregate are as set forth in Schedule 7.1.19.

7.1.20 **Owned Real Property.** A list of each Obligor's owned real property is as set forth in Schedule 7.1.20.

7.1.21 **Leased Real Property.** A list of each Obligor's leased real property is as set forth in Schedule 7.1.21.

7.1.22 **Environmental Laws.** Each Obligor has complied and is in compliance with all Environmental Laws applicable to the construction and operation of its Properties and businesses in all material respects; to the knowledge of the Borrower, no Obligor has any material contingent liability with respect to non-compliance with Environmental Laws or the generation, handling, use, storage, or disposal of Materials of Environmental Concern; and, without limiting the generality of the foregoing, except as would not reasonably be expected to have a Material Adverse Effect:

- (a) no Obligor has received any Action Request, Violation Notice, summons, complaint, order or other notice that it is not in compliance with, or that any Governmental Authority is investigating its compliance with, Environmental Laws;
- (b) no Obligor has knowledge or reason to believe that operations of or any Property of or occupied by such Obligor or in such Obligor's charge, management or control are not in compliance with all applicable Environmental Laws and each of its Properties is free:
  - (i) from contamination by, and there has not been thereon a release, discharge or emission of, any Materials of Environmental Concern which is prohibited, controlled or regulated under any Environmental Law; and
  - (ii) of underground storage tanks, landfills, land disposals and dumps;
- (c) no Obligor and, to the knowledge of the Borrower, no predecessor of an Obligor, has filed any notice, or received notice, under any Applicable Law, including any Environmental Law, indicating past or present treatment, storage or disposal of a Material of Environmental Concern or reporting any spill or release of a Material of Environmental Concern into the environment;
- (d) no Obligor has any contingent liability of which such Obligor has knowledge or reasonably should have knowledge in connection with any release of any Material of Environmental Concern;
- (e) no Obligor generates, transports, treats or disposes of any Material of Environmental Concern in any manner which is not in compliance with all applicable Environmental Laws; and
- (f) to the best of the knowledge of each Obligor, no Person has disposed of any Material of Environmental Concern by placing it in or on the ground of any Obligor's real properties or premises leased by any Obligor.

7.1.23 **Labour Matters.** Except as provided on Schedule 7.1.23:

- (a) there is no collective bargaining agreement or other labour contract covering employees of any Obligor;
- (b) all payments due from any Obligor on account of employee insurance of any kind and vacation pay have been paid or accrued as a liability on its books and each Obligor has withheld and remitted all amounts on behalf of all employees of such Obligor required to be withheld or remitted by it, and has made all employer contributions to be made by it, in each case, in accordance with Applicable Law;
- (c) there is no obligation of any Obligor under any collective agreement or under any consulting or management agreement requiring payments which cannot be cancelled without material liability;

- (d) as of the Closing Date, there is no pending or, to the best of its knowledge, threatened strike, work stoppage, material unfair labour practice claims, or other material labour dispute against or affecting any Obligor or its employees;
- (e) as of the Closing Date, there are no controversies pending or threatened between any Obligor and any of its employees, other than employee grievances arising in the ordinary course of business which would not reasonably be expected to have a Material Adverse Effect
- (f) as of the Closing Date, there is no organizing activity involving any Obligor or, to the knowledge of any Obligor, threatened by any labour union or group of employees
- (g) as of the Closing Date, no labour union or group of employees has made a pending demand for recognition;
- (h) there are no complaints or charges against any Obligor pending or threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment of any individual by any Obligor; and
- (i) each Obligor is in compliance in all material respects with all Applicable Laws respecting employment and employment terms, conditions and practices.

**7.1.24 Employee Benefit Plans and Statutory Plans.** Except as set forth in Schedule 7.1.24, no Obligor sponsors, contributes or is required to contribute to, or administers any Employee Benefit Plan. All material obligations of each Obligor (including, without limitation, fiduciary, contribution, funding, investment and administration obligations) required to be performed or satisfied in connection with the Employee Benefit Plans and Statutory Plans and any funding agreements therefor under the terms thereof and applicable statutory and regulatory requirements, have been performed or satisfied in a timely and proper fashion and in compliance with Applicable Law and the terms of the applicable Employee Benefit Plan. There have been no improper withdrawals or applications of the assets of any Obligor's Employee Benefit Plans. There are no outstanding material disputes concerning the assets or liabilities of any Obligor's Employee Benefit Plans. No Obligor has a material contingent liability with respect to any post-employment or post-retirement benefits under an Employee Benefit Plan and all post-employment and post-retirement liabilities, if any, under any Employee Benefit Plan have been properly identified in the financial statements of the Obligors except where the failure to do so has not had, or would not reasonably be expected to have, a Material Adverse Effect.

**7.1.25 Canadian Pension Plans and Canadian Multi-employer Plans.** Except as set forth in Schedule 7.1.24, no Obligor sponsors, contributes to or is required to contribute to or administers any Canadian Pension Plan and no Canadian Pension Plan is a DB Pension Plan or a Canadian Multi-employer Plan. To the knowledge of the Borrower in respect of all Canadian Multi-employer Plans, and except as set forth in

Schedule 7.1.24 with respect to all other Canadian Pension Plans, all payments, contributions, reports, returns and filings required to be made have been made, and there is no obligation on the part of the Obligor under any such plans that is in arrears. All Canadian Pension Plans, and to the knowledge of the Borrower in respect of all Canadian Multi-employer Plans, have been established, operated and administered in all material respects in accordance with their terms and Applicable Laws. No steps have been taken by any Governmental Authority or Obligor to terminate or wind-up any Canadian Pension Plan or, to the knowledge of the Borrower any Canadian Multi-employer Plan (in whole or in part). Except as set forth in Schedule 7.1.25, no condition exists and no event or transaction has occurred with respect to any Canadian Pension Plan or, to the knowledge of the Borrower, any Canadian Multi-employer Plan, which would result in the incurrence by any Obligor of any material liability, fine or penalty. With respect to each Canadian Pension Plan (other than any Canadian Multi-employer Plan), (i) all liabilities under each such Canadian Pension Plan are funded, on a going concern and solvency basis, in accordance with the terms of the respective Canadian Pension Plan, the requirements of Applicable Law and of applicable regulatory authorities, and the most recent actuarial report filed with respect to each such Canadian Pension Plan, and (ii) no event or transaction has occurred and no conditions exist with respect to any such Canadian Pension Plan that has resulted or would reasonably be expected to result in such Canadian Pension Plan having its registration revoked or refused or being placed under the administration pursuant to any Applicable Law. There are no letters of credit securing the liabilities or obligations under any DB Pension Plan.

7.1.26 **US Employee Benefit Plans.** No Obligor has ever established, maintained, participated in, contributed to, or had any liability or contingent liability under, any US Employee Benefit Plan and there is no expectation that any Obligor will establish, maintain, participate in, contribute to, or have any liability or contingent liability under, any such plan.

7.1.27 **Warrants.** The Borrower is duly authorized to create and issue the Warrants and the Warrants, when issued on the Closing Date, will be valid and enforceable against the Borrower (subject to delivery of the Accredited Investor Certificate by the Lender). The Borrower has reserved the common shares issuable upon the exercise of the Warrants and, upon the exercise of the Warrants in accordance with their terms, including without limitation delivery of the consideration due upon exercise thereof, such common shares will be validly issued as fully paid and non-assessable common shares in the capital of the Borrower.

7.1.28 **Computer Software.** Each Obligor owns or has licenced for use or otherwise has the right to use all of the material software necessary to conduct its businesses. All computer equipment owned or used by an Obligor and necessary for the conduct of business has been properly maintained and is in good working order for the purposes of on-going operation, subject to ordinary wear and tear for computer equipment of comparable age.

7.1.29 **Insurance.** Each Obligor, or the Borrower on behalf of itself and all other Obligor, has maintained and maintains insurance which is in full force and effect that

complies with all of the requirements of this Agreement. Schedule 7.1.29 lists all existing insurance policies maintained by the Obligors as of the Closing Date.

7.1.30 **No Material Adverse Effect.** Since December 31, 2017, no event has occurred which has had or would reasonably be expected to have a Material Adverse Effect.

7.1.31 **No Default or Event of Default.** No Default or Event of Default has occurred and is continuing.

7.1.32 **Bank Accounts and Security Accounts.** A list of each Obligor's bank accounts and Securities Accounts is set forth in Schedule 7.1.32.

7.1.33 **Reporting Issuer Status.** The Borrower is a reporting issuer, as defined under applicable securities laws, in each of the provinces and territories of Canada, and is not in default under any requirement of Applicable Laws relating to securities.

7.1.34 **Untrue Statements.** None of the foregoing representations and warranties, no document furnished by or on behalf of an Obligor to the Lender in connection with the negotiation of the transactions contemplated by this Agreement and no filing made by the Borrower with any securities regulatory authority contain any untrue statement of a material fact or omit to state any material fact necessary to make any such statement or representation (taken as a whole) not misleading at such time in light of the circumstances under which such information or data was furnished or filing was made.

7.1.35 **Sanctions.** None of the Obligors, nor, with respect to the activities of the Obligors, any of their respective directors, officers, or, to the best of the knowledge of each of the Obligors, any of their respective Affiliates, engages in activities which are in violation of any country or list based economic and trade sanctions administered and enforced by OFAC or is engaged, directly or indirectly, in any activity which is prohibited under the Sanctions, including without limitation, (i) any direct or indirect dealings involving or benefitting (A) a Person that is listed on, or owned or controlled by, or acting on behalf of a Person listed on any list administered by a Sanctions Authority or otherwise the target of Sanctions; (B) a Person that, is owned or controlled by, or acting for or on behalf of, or providing assistance, support or services of any kind to, or otherwise associated with any Person in (A); (ii) making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in (A) or (B); (iii) any dealing in, or otherwise engaging in any transaction relating to any property or interests in, property subject to prohibitions under Sanctions; and (iv) any transaction that evades, avoids or attempts to violate any of the prohibitions set forth in the Sanctions or has such a purpose. Notwithstanding the foregoing, nothing in this Agreement shall require any Obligor or Affiliate that is registered or incorporated under the laws of Canada or of a province to commit an act or omission that contravenes the *Foreign Extraterritorial Measures (United States) Order, 1992*.

7.1.36 **Anti-Corruption Laws.** No part of the proceeds of the Loan shall be used by an Obligor, directly or indirectly: (i) to, contrary to Applicable Law, offer or give

anything of value to any official or employee of any foreign government department or agency or instrumentality or government-owned entity, to any foreign political party or party official or political candidate or to any official or employee of a public international organization, or to anyone else acting in an official capacity (collectively, “**Foreign Official**”), in order to obtain, retain or direct business by (A) influencing any act or decision of such Foreign Official in his official capacity, (B) inducing such Foreign Official to do or omit to do any act in violation of the lawful duty of such Foreign Official, (C) securing any improper advantage or (D) inducing such Foreign Official to use his influence with a foreign government or instrumentality to affect or influence any act or decision of such government or instrumentality; (ii) to cause any Lender to violate the US Foreign Corrupt Practices Act of 1977; or (iii) to cause any Lender to violate any other anti-corruption Applicable Law applicable to such Lender (all Applicable Laws referred to in clauses (ii) and (iii) being “**Anti-Corruption Laws**”).

7.1.37 **Investment Company.** It is not an “investment company” nor a company “controlled” by an “investment company” within the meaning of the *Investment Company Act of 1940* of the United States, as amended.

7.1.38 **No Margin Stock.** No Obligor is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock. None of the proceeds of the Loan shall be used to purchase or carry or to reduce or retire or refinancing any credit incurred to purchase or carry, any margin stock (within the meaning of Regulations U and X of the Board of Governors of the Federal Reserve System of the United States) or to extend credit to others for the purpose of purchasing or carrying any margin stock.

7.1.39 **Target Acquisition.** All material governmental and regulatory approvals required in connection with Target Acquisition other than approvals customarily required or requested post-closing, have been obtained and are in full force and effect and all such consents and waivers required to consummate the Target Acquisition have been obtained to the extent that consummation of the Target Acquisition would otherwise be restricted or prohibited under the terms of any material contract to which any party to the Target Acquisition is a party, or by which it is bound, in each case without the imposition of any burdensome provisions. The Borrower, and each of its Subsidiaries that is signatory thereto, has the necessary capacity, power, legal right and authority to perform its obligations under the Target Acquisition Agreement and, assuming the capacity and authority of the parties thereto (other than the Borrower) and the due execution and delivery thereof by each such party, the Target Acquisition Agreement constitutes legal, valid and binding obligations of the parties thereto, enforceable against them in accordance with the terms and provisions thereof (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors’ rights generally and by principles of equity).

7.1.40 **Regulatory Matters.**

- (a) Except as set out in Schedule 7.1.40(a), each Product that is, to the knowledge of the applicable Obligors, subject to the Applicable Laws promulgated by a Regulatory Authority, is manufactured, packaged, labelled, imported, exported,

stored, distributed, sold (whether or not for consideration), advertised and marketed in compliance with all such Applicable Laws, (except for immaterial non-compliance) as well as all material terms and conditions imposed in any licences and permits issued in respect of the Products.

- (b) No Obligor or, to the knowledge of the Borrower, any officer, employee, contractor or agent of an Obligor has ever made an untrue statement of material fact or fraudulent statement to a Regulatory Authority or failed to disclose a material fact required to be disclosed to a Regulatory Authority.
- (c) Except as set out in Schedule 7.1.40(a), no Product is under consideration for or has been recalled, withdrawn, suspended or discontinued (other than for commercial or business reasons) by an Obligor at any time, and none of the Obligors has received any information or report from any Governmental Authority, indicating that any of the Products, or ingredients therein, are unsafe or unsuitable for its intended use or pose an unacceptable health risk.
- (d) To the knowledge of the Borrower after due inquiry, none of the Products or parts thereof have been the subject of a warning, consumer alert or other cautionary statement issued by any Governmental Authority. Other than as provided for in Schedule 7.1.40(a), the Borrower is not aware of any facts that would indicate that any Governmental Authority has or will prohibit or materially restrict the marketing, sale, distribution or use in the United States, Canada, Asia or Europe of any Product or the operation or use of any facility currently used to produce, manufacture or distribute the Products.

## **7.2 Survival of Representations and Warranties.**

The Borrower and each Obligor represents, warrants and covenants that all representations, warranties and covenants contained in this Agreement (whether appearing in Article 7 or elsewhere) shall be true, correct and complete at the time of the execution of this Agreement, shall survive the execution, delivery and acceptance hereof by the parties hereto and the closing of the transactions described herein or related hereto, shall, except for representations and warranties that relate solely to an earlier date, remain true, correct and complete until the indefeasible repayment and performance in full of all of the Obligations and termination of this Agreement.

## **ARTICLE 8 - SCHEDULES AND REPORTS**

### **8.1 Financial Information.**

The Borrower shall deliver to the Lender the following financial information:

- (a) no later than thirty (30) days after the end of each calendar month in each year, detailed operating reports in form and substance satisfactory to the Lender;

- (b) no later than forty-five (45) days after the end of each Fiscal Quarter in each year, an income statement, balance sheet and statement of cash flow prepared by management of the Borrower, in form and substance satisfactory to the Lender;
- (c) no later than ninety (90) days after the end of each Fiscal Year of the Borrower, copies of Audited Financial Statements, along with a comparison to the budget set forth in the Annual Budget of the previous year; and
- (d) no later than thirty (30) days after to the commencement of each Fiscal Year of the Borrower, a copy of the Annual Budget (in form and substance satisfactory to the Lender) approved by the board of directors of the Borrower, and, within five (5) days of any material modification thereto, a copy of the Annual Budget previously delivered, as modified.

## **8.2 Compliance Certificate.**

With each financial statement delivered pursuant to Sections 8.1(b) and 8.1(c), the Borrower shall deliver to the Lender a Compliance Certificate.

## **8.3 Other Matters.**

At such times as may be reasonably requested by the Lender from time to time hereafter, the Borrower shall deliver to the Lender (a) such additional schedules, certificates, reports and information with respect to the Collateral as the Lender may from time to time reasonably require, including, but not limited to, non-Consolidated Financial Statements and (b) a collateral assignment of any or all Property held by the Obligors from time to time to the Lender or as the Lender shall direct in order to perfect and further establish the security interests in favour of the Lender in such Property in accordance with this Agreement (to the extent not otherwise previously perfected under a Loan Document). All schedules, certificates, reports and assignments and other items delivered by the Borrower to the Lender hereunder shall be executed by an authorized representative of the Borrower, and shall be in such form and contain such information as the Lender shall reasonably request.

# **ARTICLE 9 - COVENANTS**

## **9.1 Covenants.**

Until indefeasible payment and performance in full of all Obligations and termination of this Agreement, unless the Borrower obtains the prior written consent of the Lender waiving or modifying any covenants hereunder in any specific instance, each Obligor, shall:

9.1.1 **Timely Payment.** Make due and timely payment of the Obligations required to be paid by it hereunder.

9.1.2 **Conduct of Business, Maintenance of Existence, Compliance with Laws.**

- (a) Carry on and conduct its business and operations in a proper, efficient and businesslike manner, in accordance with good business practice except for non-

compliance which would not have a Material Adverse Effect; preserve, renew and keep in full force and effect its existence; and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business and to comply in all material respects with all Material Contracts, Material Licences and Requirements of Law.

- (b) Be in compliance with all requirements of Employee Benefits Legislation and health and safety, workers compensation, employment standards, labour relations, health insurance, employment insurance, protection of personal information, human rights laws and any Canadian federal, provincial or local counterparts or equivalents in each case, as applicable to the employees of such Borrower and as amended from time to time, save for non-compliance which would not reasonably be expected to have a Material Adverse Effect.

9.1.3 **Further Assurances.** Provide the Lender with such other documents, opinions, consents, acknowledgements and agreements as are reasonably necessary to implement this Agreement and the other Loan Documents to which it is a party from time to time.

9.1.4 **Access to Information.** Promptly provide the Lender with all information reasonably requested by the Lender from time to time concerning its financial condition and Property, and during normal business hours and from time to time upon reasonable notice, permit representatives of the Lender to inspect any of its Property and to examine and take extracts from its financial books, accounts and records including but not limited to accounts and records stored in computer data banks and computer software systems, and to discuss its financial affairs, its business or any part of its Property with its senior officers and (in the presence of such of its representatives as it may designate) the Auditor. Provided that a Default or Event of Default is then continuing (or the Lender reasonably expects that that is the case), the Borrower will pay all reasonable expenses incurred by such representatives in order to visit an Obligor's premises or attend at the Borrower and each other Obligor's principal office, as applicable, for such purposes.

9.1.5 **Obligations and Taxes.** Pay or discharge or cause to be paid or discharged, before the same shall become delinquent (a) all Taxes imposed upon it or upon its income or profits or in respect of its business or Property and file all tax returns in respect thereof; (b) all lawful claims for labour, materials and supplies; (c) all required payments under any of its Permitted Debt, and (d) all other obligations; provided, however that it shall not be required to pay or discharge or to cause to be paid or discharged any such amount so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and, in the case of clause (a) above, an adequate reserve in accordance with IFRS has been established in its books and records.

9.1.6 **Use of Loan.** Use the proceeds of the Loan only as contemplated in Section 2.3.

9.1.7 **Insurance.** Maintain or cause to be maintained with reputable insurers coverage against risk of loss or damage to its Property (including public liability and

damage to property of third parties) and business interruption insurance of such types as is customary for and would be maintained by a corporation with an established reputation engaged in the same or similar business in similar locations and provide to the Lender, as requested (acting reasonably), evidence of such coverage. The Borrower shall, prior to the expiry or replacement of any insurance policy, notify the Lender of the replacement and at the Lender's request send copies of all replacement policies to the Lender. Without limiting the generality of the foregoing, the Borrower shall maintain in effect all insurance coverage reasonable and prudent for a business similar to the Business conducted in similar locations. The Lender shall be indicated in all insurance policies, as applicable, as first loss payee and additional insured (subject to the Intercreditor Agreement), and all policies shall contain such standard mortgage clauses as the Lender shall reasonably require for the Lender's protection.

**9.1.8 Notice of Default or Event of Default.** Promptly, notify the Lender of any Default or Event of Default, along with the action to be taken by the Obligor to remedy any such Default or Event of Default.

**9.1.9 Notice of Material Adverse Effect.** Promptly notify the Lender of any Material Adverse Effect.

**9.1.10 Notice of Litigation.** Promptly notify the Lender of the occurrence of any litigation, dispute, arbitration, proceeding or other circumstance the result of which if determined adversely would or reasonably be expected to result in (a) a judgment or award against it in excess of \$500,000 or (b) a Material Adverse Effect, and from time to time provide the Lender with all reasonable information requested by it concerning the status of any such proceeding.

**9.1.11 Other Notices.** Promptly, give notice to the Lender of:

- (a) any notice of expropriation affecting any Obligor;
- (b) any Action Request or Violation Notice;
- (c) any violation of any Applicable Law which does or may have a Material Adverse Effect on any Obligor;
- (d) any default under any Debt in a principal amount greater than \$100,000 in respect of any one obligation or \$250,000 in aggregate in respect of any Obligor;
- (e) any termination prior to maturity of or default under a Material Contract, or any termination, lapse, rescission or default under a Material Licence;
- (f) any damage to or destruction of any Property of any Obligor having a replacement cost in excess of \$500,000;
- (g) the Acquisition of any real property by an Obligor;
- (h) the receipt of insurance proceeds by any Obligor in excess of \$500,000;

- (i) any Lien registered against any Property of any Obligor, other than a Permitted Lien;
- (j) the occurrence of any event referred to in Section 7.1.23;
- (k) any entering into of a Material Contract or Material Licence; and
- (l) any material adverse change in, or material adverse amendment to, a Material Contract or Material Licence.

9.1.12 **Environmental Compliance.** Operate its business in compliance with Requirements of Laws in respect of Environmental Law and operate all Property owned, leased or otherwise used by it such that no obligation, including a clean-up or remedial obligation, will arise under any Requirements of Law in respect of Environmental Law; provided, however, that if any such claim is made or any such obligation arises, the applicable Obligor shall promptly satisfy, address or contest such claim or obligation at its own cost and expense. It shall promptly notify the Lender upon: (a) learning of the existence of any Materials of Environmental Concern located on, above or below the surface of any land which it owns, leases, operates, occupies or controls (except those being stored, used or otherwise handled in compliance in all material respects with requirements of Environmental Law), or contained in the soil or water constituting such land; and (b) the occurrence of any reportable release, spill, leak, emission, discharge, leaching, dumping or disposal of Materials of Environmental Concern that has occurred on or from such land, which, in either the case of (a) or (b), is likely to result in liability under Requirements of Environmental Law in excess of \$500,000.

9.1.13 **Employee Benefits and Related Notices.** It will cause each Employee Benefit Plan and Canadian Pension Plan (other than a Canadian Multi-employer Plan) to be maintained in compliance in all material respects with Applicable Law. It will make or cause to be made all contributions (including employee contributions made by authorized payroll deductions or other withholdings) required to be made by a Obligor in respect of an Employee Benefit Plan, Canadian Pension Plan or Statutory Plan to the appropriate Person or funding agency in accordance with Applicable Law and the terms of such plan, except for amounts which are immaterial. It will promptly notify the Lender on becoming aware of (a) the incorrectness of any representation or warranty in respect of any Canadian Pension Plan contained herein in any material respect, (b) the institution of any steps by any Person to terminate or wind-up any Canadian Pension Plan, in full or in part, (c) the failure of any Obligor to make a required contribution to, or payment in respect of, any Canadian Pension Plan except amounts that are immaterial, (d) the taking of any action with respect to any Canadian Pension Plan which is reasonably likely to result in the requirement that any Obligor furnish a bond or other security, (e) the occurrence of any event with respect to any Canadian Pension Plan which is reasonably likely to result in any Obligor incurring any material liability, fine or penalty or which would be reasonably expected to have a Material Adverse Effect, (f) any material increase in the cost of benefits or liabilities of any Canadian Pension Plan, or (g) any litigation in connection with an Employee Benefit Plan which is material in relation to the Obligors taken as a whole, and in the notice to the Lender thereof, it will provide copies of all

Loan Documents relating thereto. It will provide the Lender with copies of all actuarial reports, accounting statements and financial statements in respect of any Canadian Pension Plan within 30 days of their preparation.

9.1.14 **Security.** With respect to the Security:

- (a) provide to the Lender the Security Documents required from time to time pursuant to Article 6 in accordance with the provisions of such Article, accompanied by supporting resolutions, certificates and opinions in form and substance satisfactory to the Lender; and
- (b) do, execute and deliver all such things, documents, security, agreements and assurances as may from time to time be requested by the Lender within the timeline as provided in this Agreement or in the relevant Security Documents to ensure that the Lender holds at all times valid, enforceable, perfected first-priority Liens (subject only to Permitted Liens) from the Obligors meeting the requirements of Article 6.

9.1.15 **Maintenance of Property.** Keep all Property useful and necessary in its business in good working order and condition, normal wear and tear excepted, and maintain all Intellectual Property necessary to carry on its business.

9.1.16 **Material Contracts and Material Licences.** Ensure that any Material Contract or Material Licence is specifically assigned by way of security in favour of the Lender and deliver an acknowledgment of a Person or Governmental Authority to such assignment, if required by the terms of such Material Contract or Material Licence.

9.1.17 **Employee Benefit Plans.** It shall not, and it shall ensure each other Obligor does not, without the prior written consent of the Lender, (a) establish, sponsor, contribute to or incur any financial obligation toward or be in any way liable with respect to any DB Pension Plan or Canadian Multi-employer Plan which is not a Canadian Pension Plan as set forth in Schedule 7.1.24, or US Employee Benefit Plan, or (b) terminate or wind-up any DB Pension Plan or withdraw from participation in any Canadian Multi-employer Plan if, as a result of such termination or withdrawal, any Obligor may be required to make an additional contribution to such plan in an amount that would be material.

9.1.18 **Material Contracts and Material Licences.** At the request of the Lender from time to time, provide to the Lender certified true and complete copies of all Material Contracts and Material Licences.

9.1.19 **Books and Records.** At all times keep accurate and complete books, records and accounts with respect to all of its business activities, in accordance with sound accounting practices and, where applicable, IFRS consistently applied, and shall keep such books, records and accounts, and any copies thereof, only at the addresses indicated for such purpose on Schedule 7.1.19.

9.1.20 **TSX, Reporting Issuer Status.** Use commercially reasonable efforts to maintain the listing of the common shares of the Borrower on the TSX or another recognized exchange and maintain the status of the Borrower as a reporting issuer under the Canadian securities laws of the provinces and territories of Canada in which it is a reporting issuer.

9.1.21 **Real Estate.** In the event that any Obligor acquires any owned real estate following the Closing Date with a value in excess of \$250,000, then such Obligor shall promptly take such actions and execute and deliver, or cause to be executed and delivered all such mortgage, documents, instruments, agreements, opinions and certificates as the Lender may require to the extent permitted pursuant to the Intercreditor Agreement.

9.1.22 **Quarterly Meetings.** Schedule a meeting between Crown Capital Partners Inc. and the management of the Borrower once each Fiscal Quarter during the life of the Loan (at a mutually agreed upon time and place) to discuss the Borrower and its Business including, without limitation, the Borrower's operations, finances and strategic plans.

9.1.23 **Financial Covenants.**

- (a) Fixed Charge Coverage Ratio – The Borrower shall maintain a Fixed Charge Coverage Ratio, determined as at the end of each Fiscal Quarter, of no less than (i) 1.1:1.0 for the fiscal quarter ending June 30, 2018 (ii) 1.25:1.0 for the Fiscal Quarter ending September 30, 2018 and (iii) 1.4:1.0 for each Fiscal Quarter thereafter.
- (b) Net Debt to EBITDA Ratio – The Borrower shall maintain a Net Debt to EBITDA Ratio, determined as at the end of each Fiscal Quarter, of no more than: for each of the Fiscal Quarters from the Closing Date to the Fiscal Quarter ending December 31, 2019, 4.0:1.0, and thereafter, 3.0:1.0.
- (c) For purposes of determining compliance with the financial covenants set forth in this Section 9.1.23, (i) for any period during which the Borrower or any other Obligor shall have completed a Permitted Acquisition or a Permitted Disposition of a division, line of business or Subsidiary, such compliance will be determined on a Pro Forma Basis, and (ii) for the period from the Closing Date to the end of the Fiscal Quarter ending June 30, 2019, such calculations shall be made on an annualized basis, where appropriate.

## 9.2 Negative Covenants

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

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

9.2.2 **No Consolidation, Amalgamation, etc.** Consolidate, amalgamate or merge with any other Person other than an Obligor (provided that if the Borrower is party to such transaction it shall be the surviving entity), enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure, liquidate, wind-up or dissolve itself (unless all of its assets are transferred to and all its obligations are assumed by another Obligor), or permit any liquidation, winding-up or dissolution (other than a dissolution or winding-up permitted above) unless prior written approval has been received from the Lender (which approval shall not be unreasonably withheld, conditioned or delayed) and such documentation as is required by counsel to the Lender is delivered concurrently with such transaction.

9.2.3 **No Change of Name.** Change its name, adopt a French form of name or change its jurisdiction of incorporation or formation in each case without providing the Lender with fifteen (15) days' prior written notice thereof.

9.2.4 **No Debt.** Create, incur, assume or permit any Debt to remain outstanding, other than Permitted Debt.

9.2.5 **Operating Leases.** No Obligor shall create, incur, assume or permit obligations outstanding in respect of operating leases (which, for greater certainty, does not include leases of real property) such that the aggregate annual payments due on such leases for all Obligors exceeds \$5,000,000.

9.2.6 **No Investments.** Make any Investment, directly or indirectly, except a Permitted Investment and the Target Acquisition.

9.2.7 **No Financial Assistance.** Give any Financial Assistance to any Person other than with respect to (a) Permitted Senior Debt, (b) the Obligations under this Agreement, (c) Financial Assistance in the form of Investments permitted pursuant to Section 9.2.6, and (d) Intercompany Debt;

9.2.8 **No Distributions.** Make any Distribution except Permitted Distributions.

9.2.9 **No Lien.** Create, incur, assume or permit to exist any Lien upon any of its Property except a Permitted Lien.

9.2.10 **No Acquisitions.** Make any Acquisitions, except for the Target Acquisition and Permitted Acquisitions.

9.2.11 **No Change to Year End.** Make any change to its Fiscal Year.

9.2.12 **No Change to Business.** Carry on any business other than the Business.

9.2.13 **Hedge Arrangements.** Enter into any Hedge Arrangement.

9.2.14 **Location of Assets in Other Jurisdictions.** Except for any Property in transit in the ordinary course of business, no Obligor shall acquire any Property outside of the jurisdictions identified in Schedule 7.1.19, change its head or registered office or move

any Property from one jurisdiction to another jurisdiction where the movement of such Property or head or registered office would cause the Lien of the Security over such Property to cease to be perfected under Applicable Law, or suffer or permit in any other manner any of its Property to not be subject to the Lien of the Security or to be or become located in a jurisdiction as a result of which the Lien of Security over such Property is not perfected, unless (a) the applicable Obligor has first given thirty (30) days' prior written notice thereof to the Lender, and (b) the applicable Obligor has first executed and delivered to the Lender all Security and all financing or registration statements in form and substance satisfactory to the Lender which the Lender or its counsel, acting reasonably, from time to time deem necessary or advisable to ensure that the Security at all times constitutes a perfected first-priority Lien (subject only to Permitted Liens) over such Property notwithstanding the movement or location of such Property or head or registered office as aforesaid together with such supporting certificates, resolutions, opinions and other documents as the Lender may deem necessary or desirable in connection with such security and registrations.

9.2.15 **Amendments to Organizational Documents.** Amend any of its Organizational Documents in a manner that would be materially prejudicial to the interests of the Lender under the Loan Documents.

9.2.16 **Amendments to other Documents.** Amend, vary or alter any Material Contract or Material Licence in a manner that would reasonably be expected to have a Material Adverse Effect.

9.2.17 **Non-Arm's Length Transactions.** Effect any transactions with any Person (other than an Obligor) not dealing at Arm's Length with the transacting Obligor unless (i) such transaction is on market terms and consistent with transactions with Persons at Arm's Length or (ii) such transaction is first approved by the Lender in writing.

9.2.18 **Sale and Leaseback.** Enter into any arrangement with any Person providing for the leasing by any Obligor, as lessee, of Property with a value in excess of \$500,000 which has been or is to be sold or transferred by such Obligor to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such Property or the lease obligation of any Obligor.

9.2.19 **Employee Loans.** Make any loans or advances to an employee of an Obligor other than loans in an aggregate amount not to exceed \$250,000 at any time the proceeds of which are used to purchase Equity Interests in such Obligor and, provided that at the time of the loan, no Default or Event of Default exists.

9.2.20 **Bank Accounts and Securities Accounts.** No Obligor shall have any Permitted Cash Investments, cash or Equity Interests in any bank account, Securities Account or otherwise, located outside of Canada or the United States.

9.2.21 **Auditor.** Change its Auditor.

9.2.22 **Existing Debt Documents.** Make any amendments or modifications to the Permitted Junior Secured Debt Documents, the Permitted Junior Unsecured Debt

Documents or the Permitted Senior Debt Documents except as permitted pursuant to the terms of the Intercreditor Agreement or, in the case of the Secured VTB Notes and the Unsecured VTB Notes, adjustments to the principal amount thereof made in accordance with the terms thereof.

9.2.23 **Capital Expenditures.** Without the prior written consent of the Lender, which consent shall not be unreasonably withheld, no Obligor shall make any Capital Expenditures which exceed in any Fiscal Year an aggregate of \$5,000,000 in any Fiscal Year.

9.2.24 **Compensation.** Make any material changes to employee or management compensation practices other than changes which are customary and reasonable in a business similar to the Business.

9.2.25 **No Continuance.** Continue into any other jurisdiction, provided that, if such Obligor delivers security documents substantially similar to the Security Documents and otherwise in form and substance satisfactory to the Lender, acting reasonably, an Obligor may continue to another Canadian jurisdiction with thirty (30) days' prior written notice to the Lender.

9.2.26 **No Share Issuance.** Other than in the case of the Borrower (who shall be permitted to issue Equity Interests), no Obligor shall issue any Equity Interests unless the Person to whom such Equity Interests are issued is an Obligor, and, only if the additional Equity Interests so issued are concurrently and validly pledged to the Lender under the Security and all resolutions (corporate, shareholder or otherwise) required by the Lender, acting reasonably, in connection therewith are delivered to the Lender.

9.2.27 **No New Subsidiaries.** No Obligor shall create or acquire any Subsidiary after the Closing Date unless: (a) such Subsidiary exists pursuant to the laws of Canada or any Province of Canada; (b) all of the issued and outstanding capital of such Subsidiary is owned by an Obligor; (c) such new Subsidiary provides a legal, valid and enforceable guarantee in favour of the Lender and security in form and substance satisfactory to the Lender; (d) all of the issued and outstanding Equity Interests of such new Subsidiary are pledged to the Lender; and (e) all resolutions (corporate, shareholder or otherwise) required by the Lender, acting reasonably, in connection therewith, are delivered to the Lender, and in each case customary legal opinions are delivered by Borrower's counsel to the Lender, acting reasonably.

9.2.28 **Sanctions.** Each Obligor agrees that it, and with respect to the activities of such Obligor, its directors, or officers will not, and it will take all reasonable steps to ensure that its Affiliates will not, engage, directly or indirectly, in any activity which is prohibited under the Sanctions (unless any such activity is conducted in compliance with a permit, certificate or other approval issued under the Sanctions), including without limitation, (i) any direct or indirect dealings involving or benefitting (A) a Person that is listed on, or owned or controlled by, or acting on behalf of a Person listed on, any list administered by a Sanctions Authority or otherwise the target of Sanctions; (B) a Person that is owned or controlled by, or acting for or on behalf of, or providing assistance,

support or services of any kind to, or otherwise associated with any Person in (A); (ii) any business or making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in (A) or (B); (iii) any dealing in, or otherwise engaging in any transaction relating to, any property or interests in property subject to prohibitions under Sanctions; and (iv) any transaction that evades, avoids or attempts to violate any of the prohibitions set forth in the Sanctions or has such a purpose. Notwithstanding the foregoing, nothing in this Agreement shall require any Obligor or Affiliate that is registered or incorporated under the laws of Canada or of a province to commit an act or omission that contravenes the *Foreign Extraterritorial Measures (United States) Order, 1992*.

**9.2.29 Anti-Money Laundering Laws; Foreign Corrupt Practices Act; Sanctions.** Each Obligor shall not, and shall not permit any Subsidiary to, (a) engage in or conspire to engage in any transaction that contrary to Applicable Law evades or avoids, or has the purpose of evading or avoiding, or otherwise violates any Anti-Corruption Law or Sanctions law, (b) cause or permit any of the funds that are used to repay the Loan to be derived from any unlawful activity with the result that the any Lender or any Obligor would be in violation of any Applicable Law or (c) use any part of the proceeds of the Loan, directly or indirectly, for any conduct that would cause the representations and warranties in Sections 7.1.35 and 7.1.36 to be untrue as if made on the date any such conduct occurs. Notwithstanding the foregoing, nothing in this Agreement shall require any Obligor or Affiliate that is registered or incorporated under the laws of Canada or of a province to commit an act or omission that contravenes the *Foreign Extraterritorial Measures (United States) Order, 1992*.

### **9.3 Entitled to Perform Covenants**

If the Borrower or any Obligor, fails to perform any covenant contained in this Article 9, or in any other provision hereof or of any of the other Loan Documents, the Lender may perform in any manner deemed fit by it without thereby waiving any rights to enforce this Agreement or the other Loan Documents, any such covenant capable of being performed by it and if any such covenant requires the payment of money, the Lender may make such payments. All sums so expended by the Lender shall be deemed to form part of the Obligations, shall bear interest at the same rate as the Loan and shall be payable by the Borrower on demand.

## **ARTICLE 10 - CONDITIONS PRECEDENT**

### **10.1 Conditions Precedent to Closing Date.**

The obligations of the Lender hereunder are subject to the satisfaction or waiver on or before the Closing Date of the following conditions precedent (in form and substance satisfactory to the Lender) which conditions are for the sole and exclusive benefit of the Lender and may be waived in writing by the Lender in its sole discretion:

- (a) this Agreement shall have been executed and delivered by all parties thereto and the Intercreditor Agreement shall have been executed by all parties thereto and delivered in escrow subject to escrow conditions satisfactory to the Lender;

- (b) the TSX shall have conditionally approved the listing of the common shares of the Borrower issuable pursuant to the Target Acquisition, the issuance of the Warrants on the terms and conditions of this Agreement, and the listing of the common shares issuable upon exercise of the Warrants, pursuant to the applicable rules or regulations of the TSX, as the case may be, subject only to the filing of other standard documents and notice of issuance thereunder; and
- (c) provided that the Lender shall have delivered an Accredited Investor Certificate to the Borrower, the Warrants shall have been validly issued and delivered to the Lender.

## **10.2 Conditions Precedent to Funding Date.**

The obligations of the Lender to advance the Loan are subject to the satisfaction or waiver on or before the Funding Date of the following conditions precedent (in form and substance satisfactory to the Lender) which conditions precedent are for the sole and exclusive benefit of the Lender and may be waived in writing by the Lender in its sole discretion:

- (a) the Target Acquisition Agreement and all other final, executed documents governing the Target Acquisition shall be delivered to the Lender;
- (b) the Lender shall have received certified copies of the Organizational Documents of each Obligor, the resolutions authorizing the execution, delivery and performance of each Obligor's respective obligations under the Loan Documents and the transactions contemplated herein, and the incumbency of the officers of the Obligors;
- (c) copies of all shareholder agreements and partnership agreements, if any, applicable to each Obligor, certified by such Obligor to be true, shall have been delivered to the Lender's satisfaction;
- (d) certificates of status or good standing, as applicable, for the jurisdiction of incorporation or formation of each Obligor shall have been delivered to the Lender;
- (e) each Obligor shall be in compliance in all material respects with all (if any) Material Contracts and Material Licences to the satisfaction of the Lender and copies of all Material Contracts and Material Licences if any, applicable to each Obligor, certified by such Obligor to be true, shall have been delivered to the Lender;
- (f) evidence that all necessary or required consents or approvals of any Governmental Authority or other Person in connection with the delivery of the Loan Documents and the completion of the Target Acquisition, if any, have been obtained;

- (g) releases, discharges, estoppels and postponements with respect to all Liens against the property of an Obligor which are not Permitted Liens, if any, shall have been delivered to the Lender;
- (h) payment of all amounts and fees payable to the Lender, including, without limitation, the Cash Fee payable pursuant to Section 4.6(a) and all reasonable fees of counsel to the Lender;
- (i) all filings, registrations and recordations shall have been made to perfect the Security with respect to the Obligors in all relevant jurisdictions reasonably required by the Lender, including without limitation, under the UCC and the PPSA and the Security shall constitute, subject only to Permitted Liens, a first-ranking charge over all of the Property of the Obligors and the Lender shall have received an acknowledgment copy, or other evidence satisfactory to it, of each such filing, registration or recordation and satisfactory evidence of the payment of any necessary fee, tax or expense relating thereto;
- (j) the Lender shall have received an opinion from the solicitors for each Obligor regarding its corporate status, the due authorization, execution, delivery and enforceability of the Loan Documents provided by it, and such other matters as the Lender may require;
- (k) the Borrower shall have delivered to the Lender certificates of insurance acceptable to the Lender showing, inter alia, the Lender as a loss payee as its interest may appear or additional insured, as applicable, on all insurance policies that insure the assets to be secured by the Security;
- (l) no Default or Event of Default shall have occurred and be continuing on the Closing Date and a senior officer of the Borrower shall have certified the same to the Lender;
- (m) all representations and warranties made by the Obligors in the Loan Documents shall be true and correct in all material respects;
- (n) no event shall have occurred since December 31, 2017 which would have a Material Adverse Effect and a senior officer of the Borrower shall have certified the same to the Lender;
- (o) an executed copy or copies certified true and correct by an officer of the Borrower of (i) each of the Secured VTB Notes and each of the Unsecured VTB Notes and (ii) the Permitted Senior Debt Documents shall have been delivered to the Lenders.
- (p) (i) each of the Joinder Agreements of the Target Obligors and all other Loan Documents shall have been executed and delivered by all parties thereto, and (ii) the escrow conditions relating to the delivery of the Intercreditor Agreement shall be satisfied, and the Intercreditor Agreement shall be delivered by all parties thereto, contemporaneously with the advance of the Loan;

- (q) the Lender shall have received an irrevocable written funding request from the Borrower specifying the requested Funding Date and any other information of the Borrower required in order for the Lender to advance with Loan by the date that is no later than two (2) Business Days prior to the proposed Funding Date;
- (r) the Target Acquisition shall have been consummated or, simultaneously with the advance of the Loan, shall be consummated, in all material respects in accordance with the terms of the Target Acquisition Agreement after giving effect to any changes, modifications, amendments, consents or waivers to the Target Acquisition Agreement (with copies or other evidence thereof to be delivered to the Lender), in each case, other than those that are materially adverse to the interests of the Lender, unless such materially adverse changes have been consented to by the Lender (such consent not to be unreasonably withheld, delayed or conditioned);
- (s) a senior officer of the Borrower shall have certified to the Lender that:
  - (i) no Default or Event of Default has occurred and is continuing on the Funding Date or would result from making the Loan;
  - (ii) all representations and warranties made each Obligor in each Loan Documents to which it is a party are true and correct in all material respects; and
  - (iii) no event has occurred since December 31, 2017 which would have a Material Adverse Effect;
- (t) a direction of the flow of funds from the advance of the Loan shall have been delivered to the Lender evidencing that such advance will be used solely for the purpose provided for in Section 2.3;
- (u) evidence of repayment in full of all Debt that is not Permitted Debt owing by any Target Obligor to any third party lenders to such Target Obligor concurrent with the advance of the Loan shall have been delivered to the Lender;
- (v) no additional information shall have come to the attention of the Lender that is inconsistent in any material respect with the information previously provided by the Borrower to the Lender with respect to the Obligors or the Target Acquisition or which the Lender determines could reasonably be expected to have a Material Adverse Effect; and
- (w) the Funding Date shall be on or prior to May 14, 2018.

## ARTICLE 11- EVENTS OF DEFAULT

### 11.1 Events of Default.

The occurrence of any one or more of the following events shall constitute an “**Event of Default**” hereunder:

- (a) the failure of the Borrower to pay any principal hereunder when due; or
- (b) the failure of the Borrower to pay any interest, fees or other Obligations (other than principal hereunder) under the Loan Documents when due, which failure continues unremedied for three (3) Business Days; or
- (c) the failure of (i) any Obligor to perform, keep or observe any of the covenants contained in Sections 9.1.20, 9.1.23 and 9.2 of this Agreement, and (ii) any Obligor to perform, keep or observe any of the other covenants, conditions, promises, agreements or obligations under this Agreement (other than as described in Sections 11.1(a) and (b) and other than those covenants, conditions, promises, agreements or obligations referred to in (i) above) or in any of the Loan Documents; and in each case for item (ii), which failure is not cured within thirty (30) days of receipt of written notice from the Lender of such failure; or
- (d) the making or furnishing by any Obligor or any director or officer thereof to the Lender of any representation, warranty, certificate, schedule, report or other communication of a material nature within or in connection with this Agreement or the Loan Documents, which is untrue or misleading in any material respect when made; provided that, no Event of Default under this Section 11.1(d) will occur if such representation, warranty or other communication was not intentionally untrue or misleading, is capable of being corrected within thirty (30) days of being made and is diligently corrected within such thirty (30) day period; or
- (e) if any Obligor ceases or threatens to cease to carry on business generally or admits its inability or fails to pay its debts generally; or
- (f) if (i) there is a default under the documents governing (x) Permitted Senior Debt, (y) the Permitted Junior Secured Debt, or (z) the Permitted Junior Unsecured Debt (which, in each case, is not waived or cured in the applicable grace period), or (ii) any Obligor fails to make any payment when such payment is due and payable to any Person in relation to any Debt which in the aggregate principal amount then outstanding is in excess of \$250,000 and such payment is not made within any applicable cure or grace period; or (iii) any Obligor defaults in the observance or performance of any other agreement or condition in relation to any such indebtedness to any Person which in the aggregate principal amount then outstanding is in excess of \$250,000 or contained in any instrument or agreement evidencing, securing or relating thereto and such default is not waived or cured within any applicable cure or grace period; or (iv) any other event shall occur or

condition exist, the effect of which default or other condition in the case of (ii) to (iv) above is to cause such Debt to become due prior to its stated maturity date; or

- (g) if any Obligor denies its obligations under any Loan Document or claims any of the Loan Documents to be invalid or withdrawn in whole or in part; or
- (h) any of the Loan Documents or any provision of any of them becomes unenforceable, unlawful or is changed by virtue of legislation or any Governmental Authority, in each case in a manner that would reasonably be expected to cause a Material Adverse Effect, if any Obligor does not, within ten (10) Business Days of receipt of notice of such Loan Document or material provision becoming unenforceable, unlawful or being changed and being provided with any required new agreement or amendment for execution, replace such Loan Document with a new agreement that is in form and substance satisfactory to the Lender or amend such Loan Document to the satisfaction of the Lender; or
- (i) if a decree or order of a court of competent jurisdiction is entered adjudging an Obligor a bankrupt or insolvent or approving a petition seeking the winding-up of an Obligor under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *United States Bankruptcy Code* or the *Winding-Up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against any substantial part of the Property of an Obligor or ordering the winding up or liquidation of its affairs, unless the same is being contested actively and diligently in good faith by appropriate and timely proceedings and is dismissed, vacated or permanently stayed within thirty (30) days of institution; or
- (j) if any Obligor becomes insolvent, makes any assignment in bankruptcy or makes any other similar assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition; or
- (k) if any proceeding or filing shall be instituted or made against any Obligor seeking to have an order for relief entered against such Obligor as debtor or to adjudicate it bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition under any law relating to bankruptcy, insolvency, reorganization or relief of debtors (including, without limitation, the

*Bankruptcy and Insolvency Act (Canada), the Companies Creditors Arrangement Act (Canada) and the Winding-Up and Restructuring Act (Canada)), or seeking appointment of a receiver, trustee, custodian or other similar official for such Obligor or for any substantial part of its properties or assets unless the same is being contested actively and diligently in good faith by appropriate and timely proceedings and is dismissed, vacated or permanently stayed within thirty (30) days of institution; or*

- (l) if a Person takes possession by appointment of a receiver, receiver and manager, or otherwise of any material portion of the Property of any Obligor; or
- (m) if a final judgment, execution, writ of seizure and sale, sequestration or decree for the payment of money due shall have been obtained or entered against an Obligor in an amount in excess of \$500,000 and such judgment, execution, writ of seizure and sale, sequestration or decree shall not have been and remain vacated, satisfied, discharged or stayed pending appeal within thirty (30) days; or
- (n) if any of the Security shall cease to be a valid and perfected first priority security interest subject only to Permitted Liens and the Borrower shall have failed to remedy such default within five (5) Business Days of the Borrower becoming aware of such fact; or
- (o) if an event of default occurs under any Material Contract or Material Licence of any Obligor and which is committed by such Obligor (other than an event of default otherwise specifically dealt with in this Section) and such event of default has or would reasonably be expected to have a Material Adverse Effect and is not remedied within fifteen (15) days after an Obligor becomes aware of such event of default; or
- (p) if a Change of Control occurs; or
- (q) if any report of the Auditor with respect to the Borrower's Audited Financial Statements contains a "going concern" or similar qualification; or
- (r) all or any material part of the Property of any Obligor shall be nationalized, expropriated or condemned, seized or otherwise appropriated, or custody or control of such Property of any Obligor shall be assumed by any Governmental Authority or any court of competent jurisdiction at the instance of any Governmental Authority, except where contested in good faith by proper proceedings diligently pursued where a stay of enforcement is in effect; or
- (s) if the common shares of the Borrower cease to be listed for trading on the TSX or any order is made by any Governmental Authority in relation to the Borrower, or there is any change of law, or the interpretation or administration thereof, in each case, which in the reasonable opinion of the Lender, operates to prevent or restrict the trading of the common shares of the Borrower generally, or to prevent or restrict the trading of the common shares issuable upon exercise of the Warrants (other than any order, change in law or administration or interpretation thereof

which (i) results from the actions or omissions of the Lender, including a breach of Applicable Law, and (ii) does not restrict the trading of the common shares of the Borrower generally); or

- (t) (i) The institution of any steps by any Obligor or any Governmental Authority to terminate or wind-up any DB Pension Plan (in whole or in part) or withdraw from participation in a Canadian Multi-employer Plan if, as a result of such termination or withdrawal, any Obligor may be required to make an additional contribution to such plan in an amount in excess of \$500,000 or (ii) a Obligor fails to make a required contribution to any Canadian Pension Plan in an amount in excess of one hundred thousand dollars \$250,000.

### **11.2 Acceleration and Termination of Rights.**

If any Event of Default shall occur and be continuing, all Obligations shall, at the option of the Lender but subject in all cases to the Intercreditor Agreement, become immediately due and payable, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by each Obligor; provided, if any Event of Default described in Section 11.1(e) or 11.1(i) through 11.1(k) with respect to an Obligor shall occur, the outstanding principal amount of the Loan and all other Obligations shall automatically be and become immediately due and payable. In such event the Lender may, subject to the Intercreditor Agreement, in its discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against any Obligor authorized or permitted by law for the recovery of all the Obligations and proceed to exercise any and all rights hereunder and under the Security and no such remedy for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

### **11.3 Remedies Cumulative and Waivers.**

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

#### **11.4 Saving.**

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

#### **11.5 Third Parties.**

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

#### **11.6 Set-Off or Compensation.**

In addition to and not in limitation of any rights now or hereafter granted under Applicable Law, if repayment is accelerated pursuant to Section 11.2, the Lender may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by the Lender, to or for the credit of or the account of the Borrower, against and on account of the Obligations notwithstanding that any of them are contingent or unmatured.

### **ARTICLE 12 - INDEMNIFICATION, ETC.**

#### **12.1 General Indemnity.**

The Borrower agrees to defend (with counsel satisfactory to the Lender), protect, indemnify and hold harmless the Lender, and each of its Affiliates, and Subsidiaries, and its respective officers, directors, employees, legal counsel and agents (each an “**Indemnified Party**”) from and against any and all obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature (including, without limitation, the disbursements and the fees (on a solicitor-client basis) of one legal counsel (unless it would be inappropriate for one counsel to represent all Indemnified Parties due to a conflict of interest or otherwise in which case, one legal counsel for each Indemnified Party) in connection with any investigative, administrative or judicial proceedings, whether or not any Indemnified Party shall be designated a party thereto), (collectively, “**Losses**”) which may be imposed on, incurred by, or asserted against, any Indemnified Party (whether direct, indirect or consequential and whether based on any federal, provincial, state or local laws or regulations, including, without limitation,

securities, environmental and commercial laws and regulations, under common law or in equity, or based on contract or otherwise) in any manner relating to or arising out of this Agreement or any other Loan Document, or any act, event or transaction related or attendant thereto, the making and/or the management of the Loan or the use or intended use of the proceeds of the Loan; provided, however that the Borrower shall have no obligation hereunder to any Indemnified Party to the extent that such Losses were caused by or resulted from the wilful misconduct or gross negligence of such Indemnified Party. To the extent that the undertaking to indemnify set forth in the preceding sentence may be unenforceable against the Borrower because it violates any law or public policy, the Borrower shall satisfy such undertaking to the maximum extent permitted by Applicable Law. Any Losses covered by this indemnity shall be paid to each Indemnified Party on demand, and, failing prompt payment, shall, together with interest thereon at the Deemed Interest Rate from the date incurred by each Indemnified Party until paid in full, be added to the Obligations and be secured by the Collateral. The provisions of this Section 12.1 shall survive the satisfaction and payment of all Obligations and the termination of this Agreement.

## **12.2 Taxes.**

All payments made by the Borrower under this Agreement and the Loan Documents shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, assessments, imposts, deductions, charges, or withholdings imposed by any foreign, federal, provincial, state, local or other jurisdiction or any Governmental Authority thereof or political subdivision or taxing authority therein, excluding taxes imposed on the net income or the capital of the Lender (all such non-excluded taxes being hereinafter called "**Taxes**"). If any Taxes are required to be withheld from any amounts so payable to the Lender hereunder or under any Loan Documents the amounts so payable shall be increased to the extent necessary to yield to the recipient (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement or any other Loan Documents. If the Borrower is required by Applicable Law to make any deduction or withholding on account of any Taxes or other amount from any sum paid or expressed to be payable to the Lender under this Agreement or any other Loan Document, then: (a) the Borrower shall notify the Lender of any such requirement or any change in any such requirement as soon as it becomes aware of it; (b) the Borrower shall pay any such Taxes or other amount before the date on which penalties attached thereto become due and payable; (c) the sum payable by the Borrower in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment, the recipient receives on the due date and retains (free from any liability in respect of any such deduction, withholding or payment) a sum equal to that which it would have received and so retained had no such deduction, withholding or payment been required or made; and (d) within thirty (30) days after payment of any sum from which the Borrower is required by Applicable Law to make any deduction or withholding, and within thirty (30) days after the due date of payment of any Taxes or other amount which it is required by clause (b) above to pay, it shall deliver to the Lender all such certified documents and other evidence as to the making of such deduction, withholding or payment as (i) are reasonably satisfactory to the Lender as proof of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority and (ii) are reasonably required by the Lender to enable it to claim a Tax credit with respect to such deduction, withholding or payment.

If the Borrower fails to pay any Taxes when due to the appropriate taxing authority, the Borrower shall indemnify the Lender for any incremental Taxes, interest or penalties that may become payable by the Lender as a result of any such failure. The provisions of this Section 12.2 shall survive the satisfaction and payment of all Obligations and the termination of this Agreement.

## ARTICLE 13 - GENERAL PROVISIONS

### 13.1 Notice.

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by facsimile or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice, if sent by email or other means of electronic communication, shall be deemed to have been received on the day of sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below. Notices of change of address shall also be governed by this Section 13.1. Notices and other communications shall be addressed as follows:

- (a) if to the Borrower:

DATA Communicating Management Corp.  
9195 Torbram Road  
Brampton, ON L6S 6H2

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

- (b) if to the Lender:

c/o Crown Capital Partners Inc.  
Suite 4330, 77 King Street W.  
Toronto, ON M5K 1H6

Attention: Chief Investment Officer  
Email: [TEXT REDACTED: the omitted text sets forth the email address.]

with a copy to:

Torys LLP  
Suite 3000, 79 Wellington Street West  
P.O. Box 270  
Toronto, ON M5K 1N2

Attention: Amanda Balasubramanian  
Fax No. [TEXT REDACTED: the omitted text sets forth the fax number.]

### **13.2 Choice of Governing Law and Construction.**

Except as expressly set forth therein, this Agreement and the other Loan Documents (unless expressly stated otherwise in the other Loan Documents) shall be exclusively governed by the laws of the Province of Ontario and the laws of Canada applicable therein as to interpretation, enforcement, validity, construction, effect, and in all other respects, including, without limitation, the legality of the interest rate and other charges, but excluding perfection and realization of the security interests and hypothecs in the Collateral, which shall be governed and controlled by the laws of the relevant jurisdiction.

### **13.3 Attornment.**

The Parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province on Ontario for all matters arising out of, or in connection with, this Agreement and the other Loan Documents.

### **13.4 Modification and Benefit of Agreement.**

This Agreement and the other Loan Documents may not be modified, altered or amended except by an agreement in writing signed by the parties hereto.

### **13.5 Assignment**

Neither the Borrower, nor any other Obligor may sell, assign or transfer this Agreement, or the other Loan Documents or any portion thereof including, without limitation, the Borrower's right, title, interest, remedies, powers or duties thereunder. The sale, assignment, transfer or other disposition to a Person (a "**Proposed Assignee**") by the Lender, at any time and from time to time hereafter, of this Agreement, or the other Loan Documents, or of any portion thereof, or participation therein including, without limitation, the right, title, interest, remedies, powers and/or duties of the Lender thereunder shall not require the prior written consent of the Borrower unless (i) the Proposed Assignee is a non-resident of Canada within the meaning of the *Income Tax Act* (Canada) and (ii) such sale, assignment, transfer or other disposition would give rise to an obligation of the Borrower to pay additional amounts under Section 12.2, in which case such sale, assignment, transfer or other disposition will require the consent of the Borrower (which consent shall not be required if a Default or an Event of Default shall have occurred and be continuing). The Borrower agrees that it shall execute and deliver such documents as the Lender may request in connection with any such sale, assignment, transfer or other disposition. This Agreement shall enure to the benefit of, and be binding upon, the parties hereto and their successors and permitted assigns.

### **13.6 Waivers, Confidentiality, Information Sharing.**

13.6.1 In no event shall any party hereto be liable for lost profits or other special or consequential damages.

13.6.2 To the maximum extent permitted by Applicable Law, the Borrower hereby waives all rights to a hearing of any kind prior to the exercise by the Lender of its rights

to repossess the Collateral without judicial process or to reply, attach or levy upon such Collateral without prior notice or hearing.

13.6.3 To the maximum extent permitted by Applicable Law, the Borrower hereby waives demand, presentment, protest and notice of nonpayment.

13.6.4 Failure of the Lender, at any time or times hereafter, to require strict performance by the Borrower or any other Obligor of any provision of this Agreement or any of the other Loan Documents shall not waive, affect or diminish any right of the Lender thereafter to demand strict compliance and performance therewith. Any suspension or waiver by the Lender of a Default or Event of Default under this Agreement or any default under any of the Loan Documents shall not suspend, waive or affect any other Default or Event of Default under this Agreement or any other default under any of other Loan Documents, whether the same is prior or subsequent thereto and whether of the same or of a different kind or character. No delay on the part of the Lender in the exercise of any right or remedy under this Agreement or any other Loan Documents shall preclude any other or further exercise thereof or the exercise of any right or remedy. None of the undertakings, agreements, warranties, covenants and representations of the Borrower and the other Obligors contained in this Agreement or any of the other Loan Documents and no Default or Event of Default under this Agreement or default under any of the other Loan Documents shall be deemed to have been suspended or waived by the Lender unless such suspension or waiver is in writing, signed by duly authorized officer(s) of the Lender and directed to the Borrower specifying such suspension or waiver.

13.6.5 The Borrower hereby agrees and acknowledges that the Lender shall be permitted to share with any of its Affiliates, any information concerning the Borrower, any Obligor, this Agreement and all other Loan Documents, and the subject matter thereof, that the Lender has or will have in its possession.

### **13.7 Timing of Payments.**

Any payment received by the Lender after 2:00 p.m. (Toronto time) on a Business Day, or on any day that is not a Business Day, shall be credited to the account of the Borrower on the following Business Day.

### **13.8 Judgment Currency.**

If in the recovery by the Lender of any amount owing hereunder in any currency, judgment can only be obtained in another currency and because of changes in the exchange rate of such currencies between the date of judgment and payment in full of the amount of such judgment, the amount of recovery under the judgment differs from the full amount owing hereunder, the Borrower shall pay any such shortfall to the Lender, and such shortfall can be claimed by the Lender against the Borrower as an alternative or additional cause of action and any surplus received by the Lender will be repaid to the Borrower.

**13.9 Severability.**

If any provision of this Agreement is held to be prohibited by or invalid under Applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or remaining provisions of this Agreement.

**13.10 Conflicts.**

In the event there occurs any conflict or inconsistency between any provision hereof and any provision of the other Loan Documents, the provision hereof, to the extent of any such conflict or inconsistency, shall govern. In the event there occurs any conflict or inconsistency between any provision hereof and any provision of the Intercreditor Agreement, the Intercreditor Agreement, to the extent of any such conflict or inconsistency, shall govern.

**13.11 Entire Agreement.**

This Agreement and the other Loan Documents embody the entire agreement and understanding between the parties hereto and thereto and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof and may not be contradicted by evidence of prior or contemporaneous agreements of the parties. There are no unwritten oral agreements between the parties related to the subject matter of this Agreement and the other Loan Documents.

**13.12 Counterpart Execution/Electronic Delivery.**

This Agreement may be executed in counterpart and delivered by fax or other electronic means of delivery.

*[Remainder of page intentionally left blank.]*

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement as of the date set out on the first page hereof.

**Borrower**

**DATA COMMUNICATIONS  
MANAGEMENT CORP.**

Per: *“Gregory Cochrane”*

---

Gregory Cochrane  
President

Per: *“James Lorimer”*

---

James Lorimer  
Chief Financial Officer

**Guarantors**

**THISTLE PRINTING LIMITED**

Per: "*Gregory Cochrane*"

---

Gregory Cochrane  
Chief Executive Officer

Per: "*James Lorimer*"

---

James Lorimer  
Chief Financial Officer

**DATA COMMUNICATIONS  
MANAGEMENT (US) CORP.**

Per: *“Gregory Cochrane”*

---

Gregory Cochrane  
Vice President

Per: *“James Lorimer”*

---

James Lorimer  
Chief Financial Officer

**Lender:**

**CROWN CAPITAL FUND IV LP**, by its  
general partner **CROWN CAPITAL  
FUND IV MANAGEMENT INC.**

Per: “Tim Oldfield”

Tim Oldfield

Chief Investment Officer

**SCHEDULE 1.1.56**

**GUARANTORS**

- **THISTLE PRINTING LIMITED**
- **DATA COMMUNICATIONS MANAGEMENT (US) CORP.**

**SCHEDULE 1.1.60**  
**INTERCOMPANY DEBT**

[TEXT REDACTED: The omitted text sets forth information on Intercompany Debt.]

**SCHEDULE 1.1.96**

**PERMITTED LIENS**

NONE

**SCHEDULE 4.6(B)**

**FORM OF WARRANT**

[TEXT REDACTED: The omitted text sets forth the form of Warrant.]

**SCHEDULE 7.1.6**

**INTELLECTUAL PROPERTY**

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

**SCHEDULE 7.1.7**

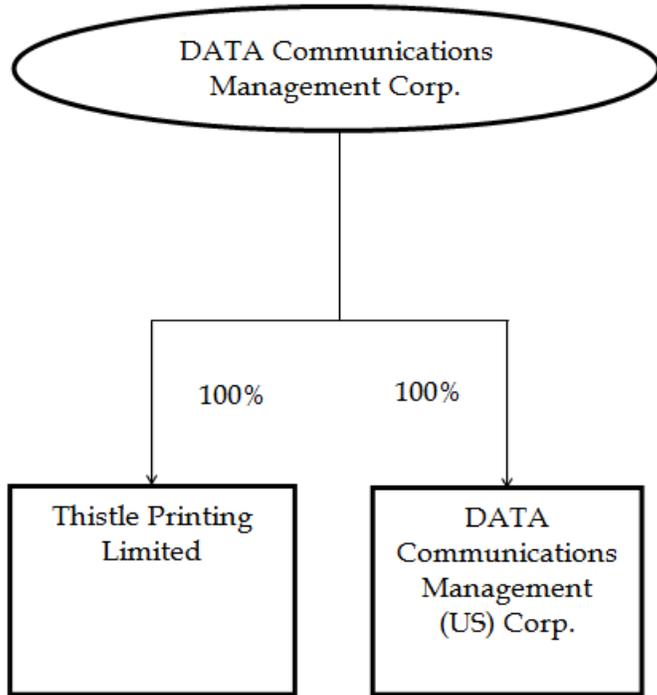
**OBLIGORS' NAMES**

- 1** THISTLE PRINTING LIMITED
- 2** DATA COMMUNICATIONS MANAGEMENT (US) CORP.

**SCHEDULE 7.1.8**

**CORPORATE STRUCTURE**

**SUBSIDIARIES, AFFILIATES, JOINT VENTURES AND PARTNERSHIPS**



**SCHEDULE 7.1.9**

**JUDGMENTS AND LITIGATION**

**Part I**

NONE

**Part II**

NONE

**SCHEDULE 7.1.10**

**MATERIAL CONTRACTS AND MATERIAL LICENCES**

NONE

**SCHEDULE 7.1.15**

**TAXES**

NONE

**SCHEDULE 7.1.18**

**NON-ARM'S LENGTH TRANSACTIONS**

NONE

**SCHEDULE 7.1.19**

**LOCATION OF COLLATERAL**

See Schedule 7.1.21

**SCHEDULE 7.1.20**

**OWNED REAL PROPERTY**

NONE

**SCHEDULE 7.1.21**

**LEASED REAL PROPERTY**

[TEXT REDACTED: The omitted text sets forth information on the Leased Real Property.]

**SCHEDULE 7.1.23**

**LABOUR MATTERS**

[TEXT REDACTED: The omitted text sets forth information on Labour Matters.]

**SCHEDULE 7.1.24**

**EMPLOYEE BENEFITS PLANS AND PENSION PLANS**

[TEXT REDACTED: The omitted text sets forth information on Employee Benefits and Pension Plans.]

**SCHEDULE 7.1.25**

**LIABILITY UNDER EMPLOYEE BENEFITS PLANS AND PENSION PLANS**

NONE.

**SCHEDULE 7.1.29**

**INSURANCE**

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

**SCHEDULE 7.1.32**

**BANK ACCOUNTS AND SECURITY ACCOUNTS**

[TEXT REDACTED: The omitted text sets forth information on Bank Accounts.]

**SCHEDULE 7.1.40(A)**

**REGULATORY MATTERS**

NONE

## SCHEDULE 8.2

### OFFICER'S COMPLIANCE CERTIFICATE

#### COMPLIANCE CERTIFICATE

**TO:** Crown Capital Fund IV LP (the “**Lender**”)  
c/o Crown Capital Partners Inc.  
Suite 4330, 77 King Street West  
Toronto, ON M5K 1H6  
Attention: Tim Oldfield  
Email: tim.oldfield@crowncapital.ca

**FROM:** ■

**RE:** Credit Agreement dated as of April ■, 2018, made between DATA Communications Management Ltd., as Borrower, and the Lender (as amended, modified, revised, restated or replaced from time to time, the “**Credit Agreement**”)

**DATE:** ■

The undersigned, the President and Chief Financial Officer of DATA Communications Management Ltd. (the “**Borrower**”), hereby certifies, in that capacity and without personal liability, that:

1. I have read and am familiar with the provisions of the Credit Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Borrower as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Credit Agreement.
2. I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Borrower with its covenants and obligations under the Credit Agreement and the other Loan Documents as of the date of this Certificate.
3. The representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true as of such date [except \_\_\_\_\_].**[NOTE: IF A REPRESENTATION OR WARRANTY IS NOT CORRECT OR COMPLETE, OR A COVENANT HAS NOT BEEN COMPLIED WITH, OR A DEFAULT OR EVENT OF DEFAULT**

**EXISTS OR EXISTED, PLEASE SET FORTH WHAT ACTION HAS BEEN TAKEN OR IS PROPOSED TO BE TAKEN WITH RESPECT THERETO.]**

4. All of the covenants required by the Credit Agreement have been observed, performed or satisfied, as applicable, and no Default or Event of Default has occurred and is continuing on the date of this Certificate [except \_\_\_\_\_].**[NOTE: IF A REPRESENTATION OR WARRANTY IS NOT CORRECT OR COMPLETE, OR A COVENANT HAS NOT BEEN COMPLIED WITH, OR A DEFAULT OR EVENT OF DEFAULT EXISTS OR EXISTED, PLEASE SET FORTH WHAT ACTION HAS BEEN TAKEN OR IS PROPOSED TO BE TAKEN WITH RESPECT THERETO.]**
5. The attached financial statements for the [Month/Fiscal Year] ending [insert date] fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with IFRS.
6. As of ■ (the “Computation Date”):
  - (a) The EBITDA was \$■, calculated as follows:
    - (i) Net Income of the Borrower = \$■
    - (ii) decreased in respect of:
      - (A) Interest Expense for such period: \$■
      - (B) income taxes for such period: \$■
      - (C) all amounts properly charged for depreciation of intangible assets during such period on the books of such person: \$■
    - (iii) increased (decreased), without duplication, by,
      - (A) Items in (i) of the definition of EBITDA = \$■/(\$■)
      - (B) Items in (ii) of the definition of EBITDA = \$■/(\$■)
      - (C) Items in (iii) of the definition of EBITDA = \$■/(\$■)
      - (D) Items in (iv) of the definition of EBITDA = \$■/(\$■)
      - (E) Items in (v) of the definition of EBITDA = \$■/(\$■)
      - (F) Items in (vi) of the definition of EBITDA = \$■/(\$■)
      - (G) Items in (vii) of the definition of EBITDA = \$■/(\$■)

$$\begin{aligned} \text{(H) Items in (viii) of the definition of EBITDA} &= \$\blacksquare/(\$ \blacksquare) \\ &= A + B + C + D + E + G + F + G + H \end{aligned}$$

(b) The Net Debt to EBITDA Ratio was  $\blacksquare:1$ , calculated as follows:

- (i) Net Debt [Borrower to break down Debt in attached Schedule I]  $\$ \blacksquare$
- (ii) TTM EBITDA  $\$ \blacksquare$
- (iii) (i) divided by (ii)  $\blacksquare:1$

The maximum Net Debt to EBITDA Ratio pursuant to Section 9.1.23(b) of the Credit Agreement on the Computation Date was  $\blacksquare:1$ .

(c) The Fixed Charge Coverage Ratio was  $\blacksquare:1$ , calculated as follows:

- (i) TTM EBITDA  $\$ \blacksquare$
- (ii) Debt Service [Borrower to detail in attached Schedule III]  $\$ \blacksquare$
- (iii) (i) divided by (ii)  $\blacksquare:1$

7. **[Specify and attach any Material Contracts or Material Licence entered into since the date of the last Compliance Certificate.]**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title: