

PESORAMA INC.

as Borrower

and

PESORAMA HOLDINGS INC., CANMEX DOLLARSTORES, S.A. DE C.V., JOI CANADIAN STORES, S.A. DE C.V., PESORAMA CONSULTING SERVICES, S.A. DE C.V., and SUCH OTHER PERSONS WHO BECOME GUARANTORS FROM TIME TO TIME

as Guarantors

and

**THE LENDERS LISTED
ON THE SIGNATURE PAGES**

as Lenders

and

THIRD EYE CAPITAL CORPORATION

as Agent

CREDIT AGREEMENT

JUNE 9, 2023

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION.....	1
Section 1.1	Defined Terms..... 1
Section 1.2	Gender and Number 27
Section 1.3	Headings, etc. 27
Section 1.4	Currency..... 27
Section 1.5	Certain Phrases, etc 27
Section 1.6	Non-Business Days. 27
Section 1.7	Accounting Terms 27
Section 1.8	Rateable Portion of a Facility 29
Section 1.9	Incorporation of Schedules and Exhibits..... 29
Section 1.10	Conflict..... 29
Section 1.11	Certificates 29
Section 1.12	Permitted Liens 29
Section 1.13	References to Agreements..... 29
Section 1.14	Statutes. 29
Section 1.15	Divisions 29
ARTICLE 2 CREDIT FACILITY	30
Section 2.1	Revolving Facility 30
Section 2.2	Commitment and Facility Limits 30
Section 2.3	Use of Proceeds..... 30
Section 2.4	Mandatory Repayments..... 30
Section 2.5	Interest..... 31
Section 2.6	Payments under this Agreement..... 32
Section 2.7	Optional Prepayments; Termination and Reductions of Commitment..... 32
Section 2.8	Cash Management, Collections and Blocked Accounts 32
Section 2.9	Fees. 34
Section 2.10	Application of Payments and Prepayments 35
Section 2.11	Computations of Interest and Fees. 35
Section 2.12	Borrowing Base..... 36
Section 2.13	Borrowing Base Shortfall..... 37
Section 2.14	Interest Reserve..... 37
ARTICLE 3 ADVANCES AND SECURITY.....	38
Section 3.1	Advances. 38
Section 3.2	Procedure for Advances. 38
Section 3.3	Reliance upon Borrower Authority 38
Section 3.4	Security 39
Section 3.5	Sharing of Security..... 39
Section 3.6	Exclusivity of Remedies..... 39
Section 3.7	Form of Security 39
Section 3.8	After-Acquired Property 39
Section 3.9	Further Assurances re: Security 40
ARTICLE 4 CONDITIONS OF LENDING.....	40
Section 4.1	Conditions Precedent to Funding Date Advance..... 40

Section 4.2	Conditions Precedent to Each Advance	44
Section 4.3	Deemed Representation and Warranty	45
Section 4.4	No Waiver	45
ARTICLE 5 REPRESENTATIONS AND WARRANTIES		45
Section 5.1	Representations and Warranties	45
Section 5.2	Survival of Representations and Warranties.....	57
ARTICLE 6 COVENANTS.....		57
Section 6.1	Affirmative Covenants	57
Section 6.2	Negative Covenants.....	65
Section 6.3	Financial Covenants	69
Section 6.4	Security Covenants.....	70
ARTICLE 7 CHANGES IN CIRCUMSTANCES.....		71
Section 7.1	Increased Costs.	71
Section 7.2	Taxes.....	72
Section 7.3	Illegality	74
ARTICLE 8 EVENTS OF DEFAULT		74
Section 8.1	Events of Default	74
Section 8.2	Acceleration	76
Section 8.3	Remedies upon Default	77
Section 8.4	Right of Set-off.....	77
Section 8.5	Application of Cash Proceeds of Realization.....	77
ARTICLE 9 THE AGENT AND THE LENDERS		79
Section 9.1	Appointment and Authority	79
Section 9.2	Rights as a Lender.....	79
Section 9.3	Exculpatory Provisions	79
Section 9.4	Reliance by the Agent	80
Section 9.5	Indemnification of the Agent	80
Section 9.6	Delegation of Duties.....	80
Section 9.7	Notices.	81
Section 9.8	Replacement of the Agent.....	81
Section 9.9	Non-Reliance on the Agent and Other Lenders.....	81
Section 9.10	Collective Action of the Secured Creditors	82
Section 9.11	Obligations	82
Section 9.12	Holding of Security; Discharge	82
Section 9.13	Sharing of Payments by Lenders	83
Section 9.14	Liability of the Lenders inter se	83
Section 9.15	Agent Advances	83
Section 9.16	Survival	83
ARTICLE 10 MISCELLANEOUS.....		84
Section 10.1	Amendments, etc.....	84
Section 10.2	Waiver.....	84
Section 10.3	Additional Subsidiaries	85
Section 10.4	Evidence of Debt.....	85
Section 10.5	Notices; Effectiveness; Electronic Communication	85

Section 10.6	Expenses; Indemnity; Damage Waiver	86
Section 10.7	Power of Attorney	88
Section 10.8	Successors and Assigns	88
Section 10.9	Judgment Currency	89
Section 10.10	Anti-Terrorism Laws	90
Section 10.11	Governing Law; Jurisdiction; Etc	90
Section 10.12	Waiver of Jury Trial	91
Section 10.13	Counterparts; Integration; Effectiveness; Electronic Execution	91
Section 10.14	Treatment of Certain Information; Confidentiality	91
Section 10.15	Severability	92
Section 10.16	Time of the Essence.	92
Section 10.17	<i>USA PATRIOT Act</i>	92
Section 10.18	No Fiduciary Duty	93
Section 10.19	Joint and Several Liability	93
Schedule 5.1(a)	Jurisdictions of Incorporation	98
Schedule 5.1(g)	Intellectual Property Infringements	99
Schedule 5.1(j)	Owned Properties and Leased Properties	100
Schedule 5.1(t)	Environmental	101
Schedule 5.1(x)	Labour Matters	102
Schedule 5.1(aa)	Tax Liability	103
Schedule 5.1(bb)	Corporate Structure	104
Schedule 5.1(cc)	Shareholders Agreements	105
Schedule 5.1(hh)	Security Documents	106
Schedule 5.1(kk)(i)	Location of Assets and Business	108
Schedule 5.1(kk)(ii)	Intellectual Property	109
Schedule 5.1(kk)(iii)	Litigation	110
Schedule 5.1(kk)(iv)	Material Agreements	111
Schedule 5.1(kk)(v)	Corporate Credit Parties' Bank Accounts	112
Schedule 5.1(kk)(vi)	Credit Card Arrangements	113
Schedule 6.2(a)(iii)	Permitted Debt	114
Schedule 6.2(c)	Permitted Liens	115
Schedule 6.2(g)	Permitted Financial Assistance	116
Schedule 6.2(k)	Compensation Agreements	117
Schedule 6.2(o)	Distributions	118
Exhibit 1	Form of Notice of Advance	119
Exhibit 2	Form of Compliance Certificate	123
Exhibit 3	Form of Supplemental Agreement	132
Exhibit 4	Form of Borrowing Base Certificate	137
Exhibit 5	Form of Credit Card Notification	142
Exhibit 6	Form of Weekly Sales Dashboard Report	145

CREDIT AGREEMENT

Credit Agreement dated as of June 9, 2023 among PesoRama Inc. as borrower, PesoRama Holdings Inc., Canmex Dollarstores, S.A. de C.V., JOI Canadian Stores, S.A. de C.V., PesoRama Consulting Services, S.A. de C.V. and such other guarantors from time to time party hereto, as guarantors, the lenders from time to time party hereto, as lenders, and Third Eye Capital Corporation, as administrative agent.

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

"Acceptable Document of Title" means, with respect to any Inventory, a negotiable bill of lading, negotiable waybill or other negotiable "document of title" (as defined in the PPSA) (including a negotiable cargo receipt) (or other document in form and substance satisfactory to the Agent) that (a) is issued by (i) a common carrier, in the case of any bill of lading, waybill or similar "document of title" (as defined in the PPSA), or (ii) a freight forwarder, in the case of any cargo receipt, which carrier or freight forwarder (x) is not an Affiliate of the applicable Approved Foreign Vendor or any Corporate Credit Party and (y) is in actual possession of such Inventory, (b) is issued in the name of the applicable Corporate Credit Party as consignee or, if so requested by the Agent, consigned to the Agent or its agent (either directly or by way of endorsement), (c) is subject to a first priority perfected Agent's Lien and is not subject to any other Lien (other than Permitted Liens; provided, that, such Liens (A) are junior in priority to the Agent's Liens or the subject of Reserves and (B) do not impair, directly or indirectly, the ability of the Agent to realize on or obtain substantially the full benefit of the Collateral in a manner reasonably acceptable to the Agent), (d) names the Agent as a notify party and bears a conspicuous notation on its face of the Agent's Lien therein (e) when in transit inside Mexico, complies with Mexican law formalities of CFDI (electronic invoice) applicable to bills of lading and freight documents (carta de porte) issued by SAT (Mexico tax agency); and (f) is on terms otherwise reasonably acceptable to the Agent.

"Account" means any right of a Person to payment for services rendered or goods sold in the ordinary course of business classified as an account receivable in accordance with IFRS.

"Accounting Change" has the meaning specified in Section 1.7(3).

"Activating Notice" has the meaning specified in Section 2.8(3).

"Advances" means advances made by the Lenders under the Revolving Facility pursuant to Article 3 and **"Advance"** means any one of such advances. Advances under the Revolving Facility are available in Dollars.

"Advances Outstanding" means, (a) in relation to the Borrower and a particular Lender at any time under the Revolving Facility, an amount equal to the sum of the aggregate principal amount of the outstanding Advances made by such Lender under the Revolving Facility and (b) in relation to the Borrower and all Lenders at any time under the Revolving Facility means the sum of the aggregate principal amount of all Advances outstanding to each Lender under the Revolving Facility.

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

"**Agent**" means Third Eye Capital Corporation, in its capacity as administrative agent for the Lenders under this Agreement, and any successor appointed pursuant to Section 9.8.

"**Agreement**" means this credit agreement as amended, amended and restated, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time.

"**Annual Business Plan**" means, for any Financial Year, the annual business plan of the Borrower prepared on a consolidated basis, with financial projections and budgets for a 12 month period, in each case consisting of a balance sheet, statement of income, statement of cash flows, proposed capital expenditures and a list of assumptions upon which such projections are based, and including a budget of the number of new stores that are anticipated to be opened during such Financial Year.

"**Anti-Terrorism Laws**" means any law, judgment, order, executive order, decree, ordinance, rule or regulation of any Governmental Authority related to terrorism financing or money laundering, including Part II.1 of the *Criminal Code* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), regulations promulgated pursuant to the *Special Economic Measures Act* (Canada) and the *United Nations Act* (Canada) and the equivalent or similar statutes and regulations in Mexico.

"**Applicable Law**" means, (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgment, order, writ, injunction, determination, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any Authorization or other written 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 Assets of such Person, in each case whether or not having the force of law.

"**Applicable Rate**" means, at any time, the rate per annum equal to the greater of, at such time: (i) the Prime Rate plus [REDACTED] and (ii) [REDACTED].

"**Approved Foreign Origin Country**" means United States of America, Canada, the People's Republic of China, India, Turkey, Spain, or any other country acceptable to the Agent in its sole discretion, which acceptance will not be unreasonably withheld; provided that the Agent may remove any such Approved Foreign Origin Country at any time and from time to time if such Approved Foreign Origin Country is a Person or entity subject to Sanctions or dealing or trading with such Approved Foreign Origin Country would result in a violation of any applicable Sanctions, Anti-Terrorism Laws or anti-corruption and bribery laws by any Credit Party or any Secured Creditor.

"**Approved Foreign Vendor**" means a Foreign Vendor which (a) is located in an Approved Foreign Origin Country, (b) has received timely payment or performance of all obligations owed to it by the Corporate Credit Parties, and (c) has not asserted and, in respect of which, as at the applicable date of determination, no events have occurred allowing the Foreign Vendor to assert any right to reclamation, repossession, diversion, stoppage in transit, Lien or title retention rights in respect of the applicable In-Transit Inventory. A Foreign Vendor can also be an "Approved

Foreign Vendor” if it does not meet the criteria above but has entered into and is in full compliance with the terms of a Foreign Vendor Agreement.

"**Asset**" means, with respect to any Person, any property (including real property), assets and undertakings of such Person of every kind and wheresoever situated, whether now owned or hereafter acquired (and, for greater certainty, includes any Equity Securities or like interest of such Person in any other Person).

"**Assignee**" has the meaning specified in Section 10.8(3).

"**Assignment and Assumption**" means an assignment and assumption entered into by a Lender and an Eligible Assignee and accepted by the Agent, in a form approved by the Agent.

"**Authorization**" or "**Authorizations**" means any authorization, qualification, consent, approval, waiver, order, decree, demand, license, grant, franchise, right, privilege, exemption, certification, permit, registration, filing, qualification or declaration of or with any Person or Governmental Authority or the giving of notice to any Person or Governmental Authority or any other action in respect of a Person or Governmental Authority.

"**Bank Account**" means any bank account of a Corporate Credit Party, including the bank accounts set forth in Schedule 5.1(kk)(v).

"**Blocked Account Agreements**" means the blocked account agreements or mandate agreements among a Blocked Account Credit Party, the Agent and the relevant depository bank with respect to a Bank Account, in form and substance satisfactory to the Agent.

"**Blocked Account Credit Parties**" means the Corporate Credit Parties.

"**Blocked Accounts**" means the Bank Accounts of the Blocked Account Credit Parties that are subject to the Blocked Account Agreements.

"**Board of Directors**" means, with respect to any Person, (a) in the case of any corporation (including any unlimited liability company), the board of directors of such Person, (b) in the case of any limited liability company, the board of managers of such Person, (c) in the case of any partnership, the board of directors of the general partner or the managing partner of such Person, as the case may be and (d) in any other case, the functional equivalent of the foregoing.

"**Borrower**" means PesoRama Inc., a corporation incorporated under the laws of Ontario, and its successors and permitted assigns.

"**Borrowing Base**" means at any particular time the sum of:

- (i) [REDACTED] of the retail market value (calculated on a basis consistent with the Borrower's historical accounting practices and approved by the Agent) of [REDACTED];
- (ii) [REDACTED] of the retail market value (calculated on a basis consistent with the Borrower's historical accounting practices and approved by the Agent) of [REDACTED];

- (iii) [REDACTED] of the face amount of [REDACTED], provided for further clarity that any cash which is obtained via an Advance shall not be considered to be [REDACTED] for purposes hereof; and
- (iv) [REDACTED] of the Borrower's [REDACTED] (to the extent such amount is above zero); minus
- (v) Reserves, subject to, and as calculated in accordance with, the provisions of this Agreement.
The Borrowing Base shall be determined in Dollars, and any component of the Borrowing Base which is in a currency other than Dollars, for the purposes of calculating the Borrowing Base, shall be converted to Dollars on each date the Borrowing Base is determined or redetermined pursuant to Section 2.12 using Royal Bank of Canada's spot rate for the conversion of the applicable amount of the currency other than Dollars into Dollars in effect as of 10:00 a.m. (Toronto time) on such date, if such date is a Business Day or, if such date is not a Business Day, then on the immediately preceding Business Day, or, in the absence of such spot rate on such date, using such other rate as the Agent may reasonably select.

"Borrowing Base Certificate" means a certificate of the Borrower substantially in the form of Exhibit 4, signed on its behalf by any Key Officer or other officer acceptable to the Agent.

"Borrowing Base Shortfall" has the meaning specified in Section 2.13.

"Buildings and Fixtures" means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed Equipment) situated on any of the Subject Properties.

"Business" means the business carried on by the Corporate Credit Parties which comprises operation of value dollar retail stores in Mexico.

"Business Day" means any day of the year, other than a Saturday, Sunday or any day on which chartered banks in Canada are closed for business in Toronto, Ontario.

"Capital Expenditures" means, for any period, any expenditure made by any Corporate Credit Party for the purchase, lease, license, acquisition, erection, development, improvement or construction of capital assets, including any such expenditure financed by way of a Capital Lease (any such Capital Lease to be approved by the Agent), or any other expenditure that is required to be capitalized, all as determined on a consolidated basis in accordance with IFRS.

"Capital Lease" means, with respect to any Person, any lease (or other agreement conveying the right to use) which has been or should be capitalized on the books of that Person in accordance with IFRS.

"Cash and Cash Equivalents" means (a) cash held in Bank Accounts, (b) investment grade securities issued, guaranteed or insured by the government of Canada or any province, or the United States of America or any state, and having terms to maturity of not more than one year, and (c) term deposits and certificates of deposit having maturities of not more than one year of any domestic commercial bank of recognized standing and investment grade credit rating having net capital in excess of \$500,000,000, but excluding any cash collateral.

"Cash Proceeds of Realization" means the aggregate of (a) all Proceeds of Realization in the form of cash, and (b) all cash proceeds of the sale or disposition of non-cash Proceeds of Realization.

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

"Change of Control" means: (a) except in the case of certain Persons identified in a side letter delivered by the Borrower to the Agent on or prior to the Closing Date, the occurrence of any transaction or event as a result of which any Person or group of Persons acting jointly or in concert (within the meaning of the *Securities Act* (Ontario)) shall purchase or acquire legal or beneficial ownership, either directly or indirectly, of [REDACTED] or more (by voting power) of the outstanding Equity Securities of any Corporate Credit Party; (b) the direct or indirect Disposition of all or substantially all of the Assets of any Corporate Credit Party to any Person or group of Persons (other than another Corporate Credit Party); or (c) the occurrence of a change in the composition of the Board of Directors of the Borrower such that a majority of the members of such Board of Directors are not Continuing Directors.

"Closing Date" means June 9, 2023, or such other date as agreed by the Borrower and the Agent, on behalf of the Lenders.

"Collateral" means any and all Assets in respect of which the Agent or any Secured Creditor has or is intended to have a Lien pursuant to a Security Document.

"Collateral Access Agreement" means a landlord waiver, bailee letter, or acknowledgment agreement of any lessor, warehouseman, processor, consignee, or other Person in possession of, having a Lien upon, or having rights or interests in the Collateral of any Corporate Credit Party, in favor of the Agent with respect to the Collateral at such premises or otherwise in the custody, control or possession of such lessor, warehouseman, processor, consignee or other Person and in form and substance satisfactory to the Agent.

"Commitment" means (a) \$20,000,000, as such amount may be reduced or otherwise redetermined from time to time in accordance with the provisions of this Agreement; or (b) with respect to a Lender, the relevant amount designated as such opposite such Lender's name on the signature pages hereto (or as assigned to it pursuant to Section 10.8) with respect to the Revolving Facility.

"Compliance Certificate" means a certificate of the Borrower substantially in the form of Exhibit 2, signed on its behalf by any Key Officer or other officer acceptable to the Agent.

"Consolidated Net Income" means, for any Person for any period, the consolidated net income or loss of such Person for such period determined in accordance with IFRS.

"Contaminant" means any waste, pollutant, hazardous substance, toxic substance, hazardous waste, special waste, petroleum or petroleum-derived substance or waste, asbestos in any form or condition, PCBs, or any hazardous or toxic constituent of any such substance or waste, in each case, which is listed or regulated under any Environmental Law.

"Continuing Director" means (a) any member of the Board of Directors who was a director of the Borrower on the Closing Date, and (b) any individual who becomes a member of the Board of

Directors after the Closing Date if such individual was approved, appointed or nominated for election to the Board of Directors by a majority of the Continuing Directors.

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

"Controlled Group" means, in respect of any Corporate Credit Party, all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common Control which, together with such Corporate Credit Party or any of its Subsidiaries, are treated as a single employer under Section 414(b) or (c) of the IRC.

"Credit Card Issuer" means any person (other than the Borrower or other Corporate Credit Party or an Affiliate thereof) who issues or whose members issue credit cards, including, without limitation, MasterCard or VISA bank credit or debit cards or other bank credit or debit cards issued through MasterCard International, Inc., Visa, U.S.A., Inc. or Visa International and American Express, Discover, Diners Club, Carte Blanche and other non-bank credit or debit cards, including, without limitation, credit or debit cards issued by or through American Express Travel Related Services Company, Inc., and Novus Services, Inc.; provided that, in each case, the Agent has approved such person to be a "Credit Card Issuer" for the purposes of this Agreement.

"Credit Card Notification" has the meaning specified in Section 6.1(s).

"Credit Card Processor" means any servicing or processing agent or any factor or financial intermediary who facilitates, services, processes or manages the credit authorization, billing transfer and/or payment procedures with respect to a Corporate Credit Party's sales transactions involving credit card or debit card purchases by customers using credit cards or debit cards issued by any Credit Card Issuer.

"Credit Card Receivables" means each "intangible" (as defined in the PPSA) together with all income, payments and proceeds thereof, owed by a Credit Card Issuer or Credit Card Processor to a Corporate Credit Party resulting from charges by a customer of such Corporate Credit Party on credit or debit cards issued by such Credit Card Issuer in connection with the sale of goods by such Corporate Credit Party, or services performed by such Corporate Credit Party, in each case in the ordinary course of its business.

"Credit Documents" means this Agreement, the Security Documents, the Perfection Certificate and all other documents executed and delivered to the Agent and the Lenders, or any of them, by the Credit Parties from time to time in connection with this Agreement or any other Credit Document.

"Credit Parties" means the Borrower and the Guarantors.

"Corporate Credit Parties" means the Borrower and the Guarantors (other than the Individual Guarantor) and any additional Subsidiaries that become Credit Parties hereunder in accordance with Section 10.3.

"Current Assets" means, at any time, the amount of current assets of the Borrower as determined in accordance with IFRS, on a consolidated basis, but specifically excluding Cash and Cash Equivalents.

"Current Liabilities" means, at any time, the amount of current liabilities of the Borrower as determined in accordance with IFRS, on a consolidated basis, but excluding any Obligations and excluding the current portion of the Borrower's lease liabilities reported on its financial statements owing to landlords under Leases of Leased Properties.

"Customs Broker/Carrier Agreement" means an agreement in form and substance satisfactory to the Agent among a Corporate Credit Party, a customs broker, freight forwarder, consolidator or carrier, and the Agent, in which the customs broker, freight forwarder, consolidator or carrier acknowledges that it has control over and holds the documents evidencing ownership of the subject Inventory for the benefit of the Agent and agrees, upon notice from the Agent, to hold and dispose of the subject Inventory solely as directed by the Agent.

"Debt" of any Person means:

- (a) all indebtedness of such Person for borrowed money, including bankers' acceptances, letters of credit or letters of guarantee;
- (b) all indebtedness of such Person for the deferred purchase price of Assets or services, other than for Assets and services purchased in the ordinary course of business and paid for in accordance with customary practice and not represented by a note, bond, debenture or other evidence of Debt;
- (c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Assets acquired by such Person (even though 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 Assets);
- (d) all obligations of such Person represented by a note, bond, debenture or other evidence of Debt;
- (e) all obligations under Capital Leases and all obligations under synthetic leases, in each case, in respect of which such Person is liable as lessee;
- (f) all obligations to purchase, redeem, retire or otherwise acquire for value (other than for other Equity Securities) any Equity Securities in the capital of the Person which, by their terms (or by the terms of any security into which they are convertible or for which they are exchangeable), or upon the happening of any event mature or are mandatorily redeemable pursuant to a sinking fund obligation or otherwise, are redeemable for cash or debt at the sole option of the holder, or provide for scheduled payments of dividends in cash, in each case, on or prior to the Maturity Date;
- (g) all obligations to deliver goods and services in consideration of one or more advance payments for periods in excess of 120 days prior to the date of delivery, other than in the ordinary course of business;
- (h) all obligations of such Person under any Swap Agreements; and
- (i) all Debt of another entity of a type described in clauses (a) through (h) which is directly or indirectly guaranteed by such Person.

The Debt of any Person shall include the Debt of any other entity (including a partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or relationship with such entity, except (other than in the case of general partner liability) to the extent that the terms of such Debt expressly provide that such Person is not liable therefor. The amount of any obligations of a Person under any Swap Agreement on any date shall be the Mark-to-Market Exposure thereof as of such date.

For the avoidance of doubt, "Debt" does not include (i) obligations in respect of indemnities incurred in the ordinary course of business or in connection with the disposition of assets, (ii) any employee or director compensation, (iii) obligations under operating leases, (iv) trade payables and related accrued liabilities that are current liabilities incurred in the ordinary course of business, (v) current and future taxes, or (vi) letters of credit which have been cash-collateralized.

"**Default**" means an event which, with the giving of notice or passage of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

"**Default Rate**" means [REDACTED] per annum.

"**Depreciation Expense**" means, for any Person for any period, depreciation, depletion, amortization and other non-cash expenses of such Person, determined on a consolidated basis in accordance with IFRS.

"**Director Nomination Agreement**" means the board of directors nomination agreement dated the date hereof (as amended, restated, supplemented or otherwise modified from time to time) between the Borrower and the Agent whereby, among other things, upon the exercise of the Warrants, in whole or in part, into [REDACTED] or more of the Borrower's issued and outstanding common shares, the Borrower shall cause its Board of Directors to nominate one individual selected by the Agent as director on the Borrower's Board of Directors for so long as the Secured Creditors together with any Investors own [REDACTED] or more of the Borrower's issued and outstanding common shares.

"**Disclosure Letter**" means the disclosure letter dated as of the date hereof entered into by the Corporate Credit Parties in favour of the Agent.

"**Disposition**" means, with respect to any Asset of any Person, any direct or indirect sale, lease (where such Person is the lessor), assignment, abandonment, cession, transfer, exchange, conveyance, release or gift of such Asset, including by means of a sale and leaseback transaction, any transfer following a division or any reorganization, consolidation, amalgamation or merger of such Person pursuant to which such Asset becomes the property of any other Person; and "**Dispose**" and "**Disposed**" have meanings correlative thereto.

"**Distribution**" means, with respect to any Person, any payment (whether by cash, property or both) by such Person:

- (a) of any dividend or other distribution on issued Equity Securities of such Person or any of its Subsidiaries;
- (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, retraction or other acquisition of any issued Equity Securities of such Person or any of its Subsidiaries;

- (c) to (i) any Affiliate of such Person, (ii) any Person that directly or indirectly owns or Controls Equity Securities of such Person, (iii) any Affiliate of a Person described in clause (ii), (iv) any Person that is an officer or director of such Person or of any Affiliate of such Person or of any Person described in clause (ii) or clause (iii), or (v) any immediate family member of any of the foregoing (the Persons referred in in subparagraphs (i) through (v) inclusive of paragraph (c) of this definition are referred to in this definition of Distribution as the "**Restricted Parties**");
- (d) of principal or other amounts in respect of Debt owed to Restricted Parties; or
- (e) outside of the ordinary course of business.

A Distribution also includes any transfer by a Person of such Person's Assets for consideration less than Fair Market Value to any Restricted Party.

"**EBITDA**" means for any Person and for any period, the Consolidated Net Income of such Person for such period, *plus*, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of each of the following determined for such Person on a consolidated basis for such period, if satisfactory to the Agent:

- (a) income and income based tax expense;
- (b) Interest Charges;
- (c) rent expense under Capital Leases;
- (d) Depreciation Expense;
- (e) extraordinary or nonrecurring losses, expenses and charges;
- (f) realized losses on Swap Agreements or other derivatives entered into for hedging interest rate or commodity price risks permitted by the Agent;
- (g) any non-cash loss attributable to the mark to market movement in the valuation of any equity interests, and Swap Agreements or other derivative instruments permitted by the Agent, but only to the extent the cash impact resulting from such loss has not been realized;
- (h) fees and expenses incurred during such period in connection with any actual issuance of any Debt, or any actual acquisitions, Investments, asset sales or divestitures permitted by the Agent;
- (i) operating expense attributed to actual acquisitions permitted by the Agent including salary obligations paid to employees terminated, one-time restructuring charges, implementation of cost savings initiatives, relocation costs, integration costs, recruitment fees, transition costs, and professional consulting fees;
- (j) earn-out and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments, in each case in connection with actual acquisitions or Investments permitted by the Agent;

- (k) all fees, expenses or charges from abandoned, closed, disposed or discontinued operations and any losses on disposal of abandoned, closed or discontinued operations, and attributable to business dispositions or asset dispositions (other than in the ordinary course of business), in each case permitted by the Agent; and
- (l) all non-cash losses, charges and expenses, including any asset impairments, write-offs or write-downs; and
- (m) stock-based compensation.

and *minus*, without duplication and to the extent included in the statement of such Consolidated Net Income for such period, the sum of:

- (n) interest income and credits;
- (o) any extraordinary income or gains;
- (p) income and commodity tax credits (to the extent not netted from tax expenses);
- (q) any other non-cash income; and
- (r) any non-cash expenses associated with stock-based compensation.

"Eligible Assignee" means any Person who is or becomes an assignee in accordance with this Agreement.

"Eligible Cash Receipts" means, as of the date of determination thereof, without duplication, (a) Eligible In Store Cash Receipts, (b) Eligible In-Transit Cash and (c) Eligible Credit Card Receivables.

"Eligible Credit Card Receivables" means at the time of any determination thereof, each Credit Card Receivable that satisfies the following criteria at the time of creation and continues to meet the same at the time of such determination: such Credit Card Receivable (i) has been earned by performance and represents the bona fide amounts due to a Corporate Credit Party from a Credit Card Issuer or Credit Card Processor, and in each case originated in the ordinary course of business of such Corporate Credit Party, and (ii) is not ineligible for inclusion in the calculation of the Borrowing Base pursuant to any of clauses (s) through (aa) below. Without limiting the foregoing, to qualify as an Eligible Credit Card Receivable, such Credit Card Receivable shall indicate no Person other than such Corporate Credit Party as payee or remittance party. In determining the amount to be so included, the amount of such Credit Card Receivables shall be reduced by, without duplication, to the extent not reflected in such amount, (i) the amount of all accrued and actual discounts, mark downs, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances (including any amount that such Corporate Credit Party may be obligated to rebate to a customer, a Credit Card Issuer or Credit Card Processor pursuant to the terms of any agreement or understanding (written or oral)) in respect of such Credit Card Receivable and (ii) the aggregate amount of all cash received in respect of such Credit Card Receivable but not yet applied by such Corporate Credit Party to reduce the amount of such Credit Card Receivable. Except as otherwise agreed by the Agent, any Credit Card Receivable included within any of the following categories shall not constitute an Eligible Credit Card Receivable:

- (s) Credit Card Receivables which do not constitute an "intangible" (as defined in the PPSA);
- (t) Credit Card Receivables that have been outstanding for more than five (5) Business Days from the date of sale;
- (u) Credit Card Receivables (i) that are not subject to a perfected first-priority security interest in favour of the Agent, or (ii) with respect to which such Corporate Credit Party does not have good, valid and marketable title thereto, free and clear of any Lien (other than Liens granted to the Agent pursuant to the Security Documents);
- (v) Credit Card Receivables which are disputed, are with recourse, or with respect to which a claim, counterclaim, offset or chargeback has been asserted (to the extent of such claim, counterclaim, offset or chargeback);
- (w) Credit Card Receivables as to which the Credit Card Issuer or Credit Card Processor has the right under certain circumstances to require such Corporate Credit Party to repurchase the Credit Card Receivables from such Credit Card Issuer or Credit Card Processor;
- (x) Credit Card Receivables due from a Credit Card Issuer or Credit Card Processor which is the subject of any bankruptcy or insolvency proceedings;
- (y) Credit Card Receivables which are not a valid, legally enforceable obligation of the applicable Credit Card Issuer or Credit Card Processor with respect thereto;
- (z) Credit Card Receivables which do not conform to all representations, warranties or other provisions in the Credit Documents relating to Credit Card Receivables; or
- (aa) Credit Card Receivables which the Agent determines in its sole discretion to be uncertain of collection or which do not meet such other eligibility criteria for Credit Card Receivables as the Agent may from time to time determine.

"Eligible In Store Cash Receipts" means, as of the date of determination thereof, without duplication, cash constituting Mexican or U.S. legal tender received by a Corporate Credit Party from the sale of its Eligible Inventory in the ordinary course of business that (a) is located in an Eligible Store or in a Blocked Account, (b) is not subject to dispute or refund by a customer of such Corporate Credit Party, (c) is subject to a perfected first-priority Lien in favour of the Agent and with respect to which such Corporate Credit Party has good, valid and marketable title thereto, free and clear of any Lien (other than Liens granted to the Agent pursuant to the Security Documents), (d) with respect to cash located in an Eligible Store, is insured to the satisfaction of the Agent (including against loss from theft and fire), (e) conforms to all representations, warranties or other provisions in the Credit Documents relating thereto, (f) is held securely in a safe or other secure environment to ensure against theft or loss, and (g) is not held in a till or register, and meets such other eligibility criteria as the Agent may from time to time determine. In determining the amount to be so included as Eligible In Store Cash Receipts, the amount of such cash shall be reduced by, without duplication, to the extent not otherwise reflected, the amount of all accrued and actual discounts, mark downs, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances (including any amount that such Corporate Credit Party may be obligated to rebate to a customer pursuant to the terms of any agreement or understanding (written or oral)) in respect of such cash.

"Eligible In-Transit Cash" means, as of the date of determination thereof, without duplication, physical cash of a Corporate Credit Party which is in transit from an Eligible Store to a bank branch of such Corporate Credit Party for deposit in a Blocked Account, but which has not yet been delivered to such bank branch, and such physical cash (a) previously qualified as Eligible In Store Cash Receipts pursuant to the definition thereof, (b) has been in transit for one (1) Business Day or less from the date it departed such Eligible Store, (c) is being transported in accordance with Applicable Law by a licensed private security and protection company satisfactory to the Agent, (d) is subject to a perfected first-priority Lien in favour of the Agent and with respect to which such Corporate Credit Party has good, valid and marketable title thereto, free and clear of any Lien (other than Liens granted to the Agent pursuant to the Security Documents), (e) is insured to the satisfaction of the Agent (including against loss from theft), (f) conforms to all representations, warranties or other provisions in the Credit Documents relating thereto and (g) meets such other eligibility criteria as the Agent may from time to time determine.

"Eligible In-Transit Inventory" means, as of any date of determination thereof, without duplication of other Eligible Inventory, In-Transit Inventory of a Corporate Credit Party that satisfies each of the criteria set forth below:

- (a) which has been shipped from an Approved Foreign Origin Country for receipt by a Corporate Credit Party, but which has not yet been delivered to such Corporate Credit Party, which In-Transit Inventory has been delivered to a carrier in a foreign port and has been in transit for ninety (90) days or less from the date of shipment of such Inventory;
- (b) for which the purchase order is in the name of a Corporate Credit Party and title and risk of loss has passed to such Corporate Credit Party;
- (c) for which an Acceptable Document of Title has been issued which, in each case, is subject to a perfected first-priority security interest in favour of the Agent and Agent has obtained a Customs Broker/Carrier Agreement in connection therewith;
- (d) the Foreign Vendor with respect to such In-Transit Inventory is an Approved Foreign Vendor;
- (e) which otherwise would constitute Eligible Inventory (disregarding clause (d) of the definition thereof); and
- (f) which is insured to the satisfaction of the Agent (including marine cargo or stock throughput insurance);

provided that the Agent may, in its sole discretion, exclude any particular Inventory from the definition of "Eligible In-Transit Inventory" in the event the Agent determines that such Inventory is subject to any Person's right of reclamation, repudiation, stoppage in transit or any event has occurred or is reasonably anticipated by the Agent to arise which may otherwise adversely impact the ability of the Agent to realize upon such Inventory.

"Eligible Inventory" means, as of the date of determination thereof, without duplication, items of Inventory of the Corporate Credit Parties that are finished goods, merchantable and readily saleable to the public in the ordinary course of the Corporate Credit Parties' business in each case that, except as otherwise agreed by the Agent, (A) complies with each of the representations and warranties respecting Inventory made by the Corporate Credit Parties in the Credit Documents, and

(B) is not excluded as ineligible by virtue of one or more of the criteria set forth below as determined by the Agent. Except as otherwise agreed by the Agent, the following items of Inventory shall not be included in Eligible Inventory:

- (a) Inventory that is not solely owned by a Corporate Credit Party or such Corporate Credit Party does not have good and valid title thereto;
- (b) Inventory that is leased by or is on consignment to a Corporate Credit Party;
- (c) Inventory that is not located in Mexico (other than Eligible In-Transit Inventory);
- (d) except in the case of Eligible In-Transit Inventory, Inventory that is not located at a location that is owned or leased by a Corporate Credit Party, except Inventory in transit between such owned or leased locations, provided that such Corporate Credit Party has furnished the Agent with a Collateral Access Agreement or Mexican Landlord Notice or the Agent has implemented a Rent Reserve with respect to any such leased locations;
- (e) Inventory that is located in a distribution center, warehouse or Eligible Store leased by a Corporate Credit Party unless (i) the applicable lessor has delivered to the Agent a Collateral Access Agreement, (ii) the applicable lessor has delivered to the Agent a Mexican Landlord Notice, or (iii) the Agent has implemented a Rent Reserve for such premise;
- (f) Inventory that is comprised of goods which are (i) damaged, defective, "seconds", expired or otherwise unmerchantable, (ii) to be returned to the vendor, (iii) obsolete, work-in-process, raw materials, or that constitute samples, spare parts, promotional, marketing, labels, bags and other packaging and shipping materials or supplies used or consumed in the Corporate Credit Parties' business, (iv) not in compliance with all standards imposed by any Governmental Authority having regulatory authority over such Inventory, its use or sale, or (vi) bill and hold goods;
- (g) Inventory that is not subject to a perfected first-priority Lien in favour of the Agent;
- (h) Inventory that is not insured in compliance with the provisions of Section 6.1(p) hereof;
- (i) Inventory that has been sold but not yet delivered or as to which a Corporate Credit Party has accepted a deposit;
- (j) Inventory that is subject to any licensing, patent, royalty, trademark, trade name or copyright agreement with any third party from which a Corporate Credit Party or any of its Subsidiaries has received notice of a legitimate dispute in respect of any such agreement;
or
- (k) Inventory acquired as part of the acquisition of a business or which is not of the type usually sold in the ordinary course of the Corporate Credit Parties' business, unless and until the Agent has completed or received (A) an appraisal of such Inventory from appraisers satisfactory to the Agent and establishes Reserves (if applicable) therefor, and otherwise agrees that such Inventory shall be deemed Eligible Inventory, and (B) such other due diligence as the Agent may require, all of the results of the foregoing to be reasonably satisfactory to the Agent.

"Eligible Stores" means JOi Dollar Plus retail stores that are located in Mexico, operated, or to be operated, by any Corporate Credit Party, and that are (i) Owned Properties or (ii) Leased Properties subject to a Collateral Access Agreement.

"Environmental Laws" means, in respect of a Person, all Applicable Law and agreements between such Person and a Governmental Authority relating to pollution, public health, the protection of the environment, the release of hazardous substances, wastes, air emissions and discharges to waster or public systems, materials and occupational health and safety.

"Environmental Liabilities" means all liabilities imposed by, under or pursuant to Environmental Laws or which relate to the existence of Contaminants on, under or about the Subject Properties.

"Equipment" means each Corporate Credit Party's now owned or hereafter acquired machinery, equipment, rolling stock, furniture, fixtures, and other tangible personal property (excluding office equipment, but including all of such types of property leased by such Corporate Credit Party, as lessor, or leased to such Corporate Credit Party, as lessee, and in each case all of such Corporate Credit Party's rights and interests with respect thereto and with respect to and under the applicable leases (including, without limitation, any options to purchase)); together with all present and future additions and accessions thereto, replacements therefor, component and auxiliary parts and supplies used or to be used in connection therewith, and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto; wherever any of the foregoing is located.

"Equity Securities" means, with respect to any Person, any and all shares, preferred stock, convertible securities, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, such Person's capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing.

"Equivalent Amount" means, on any day with respect to any two currencies, the amount obtained in one such currency (the "**first currency**") when an amount in the other currency is converted into the first currency using the Royal Bank of Canada's spot rate for the conversion of the applicable amount of the other currency into the first currency in effect as of 10:00 a.m. (Toronto time) on such day, if such day is a Business Day or, if such day is not a Business Day, then on the immediately preceding Business Day, or, in the absence of such spot rate on such day, using such other rate as the Agent may reasonably select.

"ERISA" means the Employee Retirement Income Security Act of 1974 (United States) as amended from time to time.

"Event of Default" has the meaning specified in Section 8.1.

"Excluded Taxes" means, with respect to the Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) Taxes imposed on or measured by its net income and capital, and franchise taxes imposed on it (in lieu of net income and capital taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes or any similar tax imposed by any jurisdiction in which the Lender is organized or in which its principal office is located and (c) in the case of a Foreign Lender, any withholding tax that is solely

attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 7.2(5).

"Fair Market Value" means, with respect to any asset or property, the price which could be negotiated in an arm's length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value pursuant to any transaction by a Corporate Credit Party shall be determined by such Corporate Credit Party, acting reasonably, and such determination shall be conclusive; *provided, however*, that if such Fair Market Value is determined to exceed \$1,000,000, the Agent may request, acting reasonably, that such Fair Market Value be determined by an independent accounting firm, chartered business valuator, investment bank or similar expert acceptable to the Agent, acting reasonably.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code of 1986 as of the date of the Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and, for the avoidance of doubt, any intergovernmental agreements and any "foreign financial institution" agreements entered into to implement the foregoing.

"Fees" means the fees payable by the Borrower under this Agreement.

"Financial Assistance" means with respect of any Person and without duplication, any loan, Guarantee, indemnity, assurance, acceptance, extension of credit, loan purchase, share purchase, equity or capital contribution, investment or other form of direct or indirect financial assistance or support of any other Person or any obligation (contingent or otherwise) primarily for the purpose of enabling another Person to incur or pay any Debt or to comply with agreements relating thereto or otherwise to assure or protect creditors of the other Person against loss in respect of Debt of the other Person and includes any Guarantee of or indemnity in respect of the Debt of the other Person and any absolute or contingent obligation to (directly or indirectly):

- (a) advance or supply funds for the payment or purchase of any Debt of any other Person;
- (b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any Person to make payment of Debt or to assure the holder thereof against loss;
- (c) Guarantee, indemnify, hold harmless or otherwise become liable to any creditor of any other Person from or against any losses, liabilities or damages in respect of Debt;
- (d) make a payment to another for goods, property or services regardless of the non-delivery or non-furnishing thereof to a Person;
- (e) make an advance, loan or other extension of credit to or to make any subscription for Equity Securities, equity or capital contribution, or investment in or to maintain the capital, working capital, solvency or general financial condition of another Person;
- (f) to maintain working capital, equity capital solvency, or any other balance sheet, income statement or other financial statement condition or liquidity of the primary credit party so as to enable the primary credit party to pay such Debt or other obligation;

- (g) to be an account party in respect of any letter of credit or letter of guarantee issued to support such Debt or other obligation; or
- (h) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof (whether in the form of a loan, advance, stock purchase, capital contribution or otherwise).

The amount of any Financial Assistance is the amount of any loan or direct or indirect financial assistance or support, without duplication, given, or all Debt of the obligor to which the Financial Assistance relates, unless the Financial Assistance is limited to a determinable amount, in which case the amount of the Financial Assistance is the determinable amount.

"Financial Calculation" has the meaning specified in Section 1.7(4).

"Financial Quarter" means a period of three consecutive months in each Financial Year ending on April 30, July 31, October 31 and January 31 of such year.

"Financial Year" means, in relation to any Corporate Credit Party, its financial year commencing on February 1 of each calendar year, and ending on January 31 of such year.

"Foreign Lender" means, in respect of a particular Credit Party, a Lender that is not organized under the laws of the jurisdiction in which such Credit Party is resident for tax purposes by application of the laws of that jurisdiction and that is not otherwise considered or deemed in respect of any amount payable to it hereunder or under any Credit Document to be resident for income tax or withholding tax purposes in the jurisdiction in which such Credit Party is resident for tax purposes by application of the laws of that jurisdiction. For the purposes of this definition, Canada and each province and territory thereof shall be deemed to constitute a single jurisdiction and the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Vendor" means a Person that sells In-Transit Inventory to a Corporate Credit Party.

"Foreign Vendor Agreement" means an agreement between a Foreign Vendor and the Agent in form and substance satisfactory to the Agent and pursuant to which, among other things, the parties shall agree upon their relative rights with respect to In-Transit Inventory of a Corporate Credit Party purchased from such Foreign Vendor.

"Fully Diluted Basis" means, with respect to the Borrower, as of the Closing Date, all of its issued and outstanding Equity Securities, with all of its convertible and exercisable Equity Securities (including, for greater certainty, the Warrants, any employment agreements, stock options and stock ownership plans, and other rights to acquire Equity Securities) deemed converted or exercised, as the case may be, in accordance with their terms, whether or not then currently vested, exercisable, exchangeable or convertible.

"Funding Date" means the date of satisfaction or waiver of all conditions set out in Section 4.1 and Section 4.2 and the making available of the Revolving Facility hereunder, or such other date as agreed by the Borrower and the Agent, on behalf of the Lenders.

"Goods" means tangible personal property but excluding chattel paper, documents of title, documents, instruments, money and investment property (as these terms are defined in the *Personal Property Security Act* (Ontario) or in the UCC, as applicable, from time to time).

"Governmental Authority" means the government of Canada, Mexico or 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 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.

"Guarantee" of or by any Person (in this definition, the **"guarantor"**) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Debt or other obligation of any other Person (in this definition, the **"primary credit party"**) in any manner, whether directly or indirectly. The term "Guarantee" shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee in respect of Debt shall be deemed to be an amount equal to the stated or determinable amount of the related Debt (unless the Guarantee is limited by its terms to a lesser amount, in which case to the extent of such amount) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guarantor in good faith.

"Guarantors" means PesoRama Holdings Inc., Canmex Dollarstores, S.A. de C.V., JOI Canadian Stores, S.A. de C.V., PesoRama Consulting Services, S.A. de C.V., the Individual Guarantor and such other guarantors from time to time party hereto.

"IFRS" means International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board, in each case as in effect from time to time and determined with reference to the applicable part of the CPA Canada Handbook - Accounting, as applicable, applied on a consistent basis.

"Impermissible Qualification" means, relative to the financial statements or notes thereto of the Borrower or the opinion or report of any independent auditors as to such financial statements or notes thereto, any qualification or exception to such financial statements, notes, opinion or report, as the case may be, which (a) is of a "going concern" or similar nature or (b) relates to any limited scope of examination of material matters relevant to such financial statements, if such limitation results from the refusal or failure of the Borrower to grant access to necessary information within the power of the Borrower to so grant.

"Indemnified Taxes" means (a) Taxes other than Excluded Taxes, and, (b) to the extent not described in (a), Other Taxes.

"Indemnitee" has the meaning specified in Section 10.6(2).

"Individual Guarantor" means Eduardo Pizarro Suarez.

"Information" has the meaning specified in Section 10.14(2).

"Intellectual Property" means domestic and foreign: (a) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications, (b) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, recipes, methods, processes, designs, technology, technical data, schematics, formulae and customer lists and profiles, and documentation relating to any of the foregoing, (c) copyrights, copyright registrations and applications for copyright registration, (d) mask works, mask work registrations and applications for mask work registrations, (e) designs, design registrations, design registration applications and integrated circuit topographies, (f) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing, and (g) any other intellectual property and industrial property.

"Interest Charges" means, for any Person for any period, the sum (without duplication of amounts added) of (a) the aggregate amount of interest expense (including imputed interest with respect to capitalized loan fees and lease obligations), amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with any indebtedness (including the Revolving Facility) accrued during such period on a consolidated basis in accordance with IFRS and (b) all capitalized interest during such period.

"Interest Reserve" has the meaning specified in Section 2.14.

"Interest Withholding Period" has the meaning specified in Section 2.14.

"In-Transit Inventory" means Inventory of a Corporate Credit Party which is in the possession of a common carrier and is in transit from a Foreign Vendor of such Corporate Credit Party from a location outside of Mexico to a location of such Corporate Credit Party that is within Mexico.

"Inventory" has the meaning given to "inventory" in the PPSA, and shall also include, without limitation, all: (a) goods which (i) are leased by a Person as lessor, (ii) are held by a Person for sale or lease or to be furnished under a contract of service, (iii) are furnished by a Person under a contract of service, or (iv) consist of raw materials, work in process, or materials used or consumed in a business; (b) goods of said description in transit; (c) goods of said description which are returned, repossessed or rejected; and (d) packaging, advertising, and shipping materials related to any of the foregoing.

"Investment" in any Person means (a) any advances, loans or other extensions of credit, Guarantees, indemnities or other contingent liabilities in the nature of a Guarantee or indemnity or capital contributions (other than prepaid expenses in the ordinary course of business) to such Person (by means of transfers of money or other Assets), (b) any purchase of any Equity Securities, bonds, notes, debentures or other securities of such Person, or (c) the acquisition of all or substantially all the Assets of such Person or of a business carried on by, or a division of, such Person.

"Investors" means, collectively, any Person to whom a Secured Creditor transfers any of its rights and interests under and in connection with the Warrant Agreement and any of their respective successors and assigns.

"IRC" means the Internal Revenue Code of 1986 of the United States of America.

"Key Officer" means, at any time, any of (a) Rahim Bhaloo and (b) such other senior officer of the Borrower as may be identified by the Agent from time to time.

"Key Shareholder" means a shareholder of the Borrower that is party to a Voting Support Agreement.

"Leased Properties" means, collectively, the real properties forming the subject matter of the Leases and more particularly described in Schedule 5.1(j).

"Leases" means the leases, subleases, rights to occupy and licences of or relating to real property or Buildings and Fixtures to which any Corporate Credit Party is a party.

"Lenders" mean, collectively, the lenders set forth on the signature pages of this Agreement, and any Person who may become a Lender under this Agreement in accordance with Section 10.8.

"Lien" means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), conditional sale agreement, Capital Lease or other title retention agreement or arrangement, defect of title, adverse claim, set off arrangement (other than a set off arrangement arising in the ordinary course) or any other arrangement or condition that in substance secures payment or performance of an obligation.

"Majority Lenders" means, at any time, Lenders who, taken together, hold or are beneficially entitled to at least 66% of the Commitment at that time.

"Mandatory Repayments" has the meaning specified in Section 2.4(2).

"Mark-to-Market Exposure" means all net obligations of a Person under any Swap Agreement that such Person would be required to pay if such Swap Agreement was terminated.

"Material Adverse Effect" means a material adverse effect on (a) the business, operations, results of operations, performance, prospects, Assets, liabilities or condition (financial or otherwise) of the Corporate Credit Parties, (b) the legality, validity or enforceability of any of the Credit Documents or the Warrant Agreement, the Director Nomination Agreement, or the Voting Support Agreement, including the validity, enforceability, perfection, priority or rank of any encumbrance created under any of the Security, (c) the ability of any of the Credit Parties to perform its obligations under any Credit Document to which it is a party, or (d) the rights and remedies of the Lenders or the Agent under any Credit Document, the Warrant Agreement, the Director Nomination Agreement, or the Voting Support Agreement.

"Material Agreements" means the agreements listed in Schedule 5.1(kk)(iv) and any agreement, contract or similar instrument to which any of the Corporate Credit Parties is a party or to which any of its Assets may be subject for which breach, non-performance, cancellation, termination or failure to renew could reasonably be expected to have a Material Adverse Effect.

"Maturity Date" means June 9, 2026.

"Mexican Landlord Notice" means a landlord notice in favour of the Agent countersigned by an authorized signing officer of the owner, landlord, or lessor of a Leased Property, in form and substance satisfactory to the Agent in its sole discretion, it being acknowledged by the Corporate Credit Parties that the Agent is relying on the enforceability of such notices against such owner, landlord or lessor.

"Monthly Redetermination" has the meaning specified in Section 2.12(2).

"Multiemployer Plan" means any US Pension Plan that is a "multiemployer plan" described in Section 4001(a)(3) of ERISA and subject to Title IV of ERISA.

"Net Proceeds" means any one or more of the following:

- (a) with respect to any sale or other Disposition of Assets by any of the Corporate Credit Parties, the net amount equal to the aggregate amount received in cash (including any cash received by way of deferred payment pursuant to a note receivable, other non-cash consideration or otherwise, and the release of any amount from an indemnity reserve, escrow or similar fund, but in each case only as and when such cash is so received) in connection with such Disposition, less the sum of (i) reasonable fees (including, without limitation, reasonable accounting, advisory and legal fees), commissions and other out-of-pocket expenses incurred or paid for by the Corporate Credit Party in connection with such Disposition (as evidenced by supporting documentation provided to the Agent upon request therefor by the Agent), (ii) taxes incurred in connection with such Disposition, whenever payable, and (iii) the principal amount of any Debt (other than Debt under the Credit Documents) that is secured by such Asset and that is required to be repaid in connection with such Disposition;
- (b) with respect to the receipt of proceeds by any of the Corporate Credit Parties under any insurance, the net amount equal to the aggregate amount received in cash in connection with such receipt of insurance proceeds less taxes incurred attributable to such proceeds, whenever payable; and
- (c) with respect to any issuance or creation of Debt or Equity Securities of any of the Corporate Credit Parties or of any capital contributions by any Person in any of the Corporate Credit Parties, the net amount equal to the aggregate amount received in cash in connection with such issuance, creation or capital contribution, less the sum of reasonable fees (including, without limitation, reasonable accounting, advisory and legal fees), commissions and other out-of-pocket expenses incurred or paid for by such Corporate Credit Party in connection with the issuance, creation or capital contribution (as evidenced by supporting documentation provided to the Agent upon request therefor by the Agent).

"Notice of Advance" has the meaning specified in Section 3.2.

"Obligations" means all debts (including, but not limited to, principal, interest, fees, including legal fees, costs, and expenses), liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Credit Parties, or any of them, to the Secured Creditors, or any of them, under, in connection with or pursuant to the Credit Documents, and Obligations of a particular Credit Party shall mean all debts (including, but not limited to, principal, interest, fees, including legal fees, costs, and expenses), liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by such Credit Party to the Secured Creditors, or any of them, under, in connection with or pursuant to the Credit Documents to which such Credit Party is a party.

"Original Currency" has the meaning specified in Section 10.9(1).

"**Other Currency**" has the meaning specified in Section 10.9(1).

"**Other Taxes**" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Credit Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document, in each case, including any interest, additions to tax or penalties applicable thereto.

"**Owned Properties**" means, collectively, (a) the land and premises owned by each Corporate Credit Party on the date of this Agreement and which are listed on Schedule 5.1(j), and (b) after the date of this Agreement, the lands and premises notified to the Agent pursuant to each Compliance Certificate, but shall exclude lands and premises sold or otherwise disposed of as permitted in this Agreement as and from the date of such sale or disposition.

"**Participant**" has the meaning specified in Section 10.8(3).

"**PCBs**" means polychlorinated biphenyls.

"**Pension Plan**" means any "registered pension plan" as defined under the *Income Tax Act* (Canada) and contributed to by a Person for its employees (including, without limitation, any such plan that contains a "defined benefit provision" as such term is defined under the *Income Tax Act* (Canada)) or any "negotiated contribution plan", as such term is defined under the *Pension Benefits Standards Act* (Canada) or any similar plan registered under pension standards legislation in another jurisdiction in Canada.

"**Permitted Liens**" means, in respect of any Person, any one or more of the following:

- (a) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to Applicable Law against any Credit Party or in respect of which no steps or proceedings to enforce such Lien have been initiated or which relate to obligations which are not due or delinquent or if due or delinquent, any Lien which the applicable Credit Party is in good faith contesting if such contest involves no risk of loss that could reasonably be expected to have a Material Adverse Effect and an adequate reserve in accordance with IFRS has been established by the applicable Credit Party;
- (b) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land held by the applicable Credit Party (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) which, either alone or in the aggregate, do not materially detract from the value of the property and assets concerned or the use of the affected property and assets or would not reasonably be expected to have a Material Adverse Effect;
- (c) any Lien or trust arising in connection with workers' compensation, employment insurance, pension and employment Applicable Law which a Credit Party is in good faith contesting if such contest involves no risk of loss that could reasonably be expected to have a Material Adverse Effect and an adequate reserve in accordance with IFRS has been established by the applicable Credit Party;

- (d) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired by a Credit Party or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (e) all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title which, either alone or in the aggregate, do not materially detract from the value of the property and assets concerned or the use of the affected property and assets;
- (f) public and statutory Liens not yet due and similar Liens arising by operation of Applicable Law;
- (g) Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business;
- (h) Liens granted pursuant to the Security Documents;
- (i) Liens granted in connection with the Debt permitted under Section 6.2(a)(v), provided that such Liens do not extend to any assets other than the assets being acquired with such Debt;
- (j) Liens securing Swap Agreements permitted by Section 6.2(a)(ix);
- (k) Liens existing on the date hereof disclosed in Schedule 6.2(c) but only to the extent such Liens conform to their description in Schedule 6.2(c), otherwise secure Debt permitted under Section 6.2(a), and are subject to an intercreditor agreement subordinating such Liens to the Agent's Liens;
- (l) **[REDACTED]**;

- (m) any other Liens which the Agent in its discretion has otherwise consented to in writing.

Notwithstanding the foregoing clauses (a) to (l), "Permitted Liens" do not include any Liens in favour of any owner, landlord, or lessor of a Leased Property located in Mexico.

"Person" means a natural person, sole proprietorship, corporation, limited liability company, trust, joint venture, association, company, partnership, institution, public benefit corporation, investment

or other fund, Governmental Authority or other entity, and pronouns have a similarly extended meaning.

"PesoRama Stores Services" means PesoRama Stores Services, S.A. de C.V.

"PPSA" means the *Personal Property Security Act* (Ontario) (or any successor statute) or similar legislation of any other jurisdiction of Canada, Mexico or otherwise, the laws of which are required by such legislation to be applied in connection with the issue, perfection, enforcement, validity or effect of security interests.

"Prime Rate" means the rate of interest per annum equal to the per annum rate of interest quoted, published and commonly known as the "prime rate" of Royal Bank of Canada established at its main office in Toronto, Ontario as the reference rate of interest in order to determine interest rates for loans in Dollars to its Canadian borrowers, in either case adjusted automatically with each change in such rate all without the necessity of any notice to the Borrower or any other Person.

"Proceeds of Realization" means all cash and non-cash proceeds derived from any sale, disposition or other realization of the Collateral (a) after any notice by the Agent to the Borrower pursuant to Section 8.2 declaring all indebtedness of the Borrower hereunder to be immediately due and payable or the automatic acceleration of such indebtedness, (b) upon any dissolution, liquidation, winding-up, reorganization, bankruptcy, insolvency or receivership of any of the Credit Parties (or any other arrangement or marshalling of the Collateral that is similar thereto) or (c) upon the enforcement of, or any action taken with respect to, any of the Credit Documents.

"Public Disclosure Documents" means, collectively, all of the documents which have been filed by or on behalf of the Borrower with the relevant Securities Regulators pursuant to the requirements of Securities Laws, including all documents publicly available on the Borrower's SEDAR profile.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors and officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"Related Party Debt" means Debt of a Corporate Credit Party entered into with a Related Party or a Credit Party.

"Rent Reserve" means an amount equal to 3 month's rent payable minus any monthly deposits held by such applicable owner, landlord or lessor at any distribution center, warehouse or Eligible Store leased by a Corporate Credit Party where Eligible Inventory is located and the Agent does not have a Collateral Access Agreement or Mexican Landlord Notice with the owner, landlord, or lessor of such distribution center, warehouse or Eligible Store.

"Reserves" means, at any time, an amount equal to the greater of (a) [REDACTED] and (b) the sum (without duplication) of: (i) any deductibles, coinsurance amounts and unpaid premiums relating to insured Collateral; (ii) if applicable, the aggregate amount of any liabilities (whether payable, accrued or inchoate at such time) that could have priority over or may rank *pari passu* with the Agent's Liens created by the Security (as a result of law, regulation or otherwise) in the event of an insolvency, liquidation or bankruptcy of any Corporate Credit Party or otherwise, including, without limitation, amounts for wages, vacation pay, termination and severance pay, employee deductions (including income, withholding, social security and other employment taxes), sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada), workers compensation, municipal taxes, government royalties, pension fund obligations, overdue rents or taxes, and other

statutory (including statutory privileges or costs) or other claims; (iii) in respect of Eligible Inventory, all accrued and actual discounts, mark downs, rebates, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances; (iv) in respect of Eligible In-Transit Inventory, customs, duties, warehousing and storage charges, freight and shipping costs and any other costs, expenses, Taxes or charges associated with the importation, storage, or transportation of Eligible In-Transit Inventory; (v) such reserves as may be established from time to time by the Agent with respect to the determination of the saleability, at retail, of the Eligible Inventory, or which reflect such other factors as affect the market value of the Eligible Inventory or which reflect claims and liabilities that the Agent determines will need to be satisfied in connection with the realization upon the Inventory, including (but not limited to) claims of any supplier to recover possession of Inventory under any applicable Law where such supplier's claim may have priority over the Agent's Liens thereon, and without limiting the generality of the foregoing, such reserves may, in the Agent's sole discretion, include (but are not limited to) reserves based on: obsolescence, seasonality, Shrink; imbalance; change in Inventory character; change in Inventory mix; markdowns (both permanent and point of sale); retail markdowns and markups inconsistent with prior period practice and performance, industry standards, current business plans or advertising calendar and planned advertising events; and out-of-date and/or expired Inventory; (vi) the Interest Reserve; (vii) any Rent Reserves; (viii) the Mark-to-Market Exposure of the Corporate Credit Parties under all Swap Agreements; and (ix) such additional reserves, in such amounts and with respect to such matters, as the Agent in its reasonable discretion may elect to impose from time to time. For certainty, Reserves used in the determination of the Borrowing Base do not necessarily constitute income or asset reserves, determined in accordance with IFRS, on the financial statements of the Borrower.

"Revolving Facility" means the credit facility in the maximum principal amount of the Commitment to be made available hereunder to the Borrower by the Lenders in accordance with the provisions hereof.

"Sales" means, without duplication, all revenues received by a Corporate Credit Party in respect of an Eligible Store received in the ordinary course of business from the sale of its Inventory.

"Sanction" means an international economic sanction administered or enforced by the United States Government, Canadian Government (including The Department of Foreign Affairs and International Trade Canada and The Department of Public Safety Canada) or Mexican Government or other relevant sanctions authority based upon the obligations or authorities set forth in Anti-Terrorism Laws.

"[REDACTED] Unblocked Account" means the Bank Account maintained by Canmex Dollarstores, S.A. de C.V with [REDACTED] having account number [REDACTED];

"[REDACTED] Canada Accounts" means the Bank Accounts subject to a Blocked Account Agreement maintained by the Borrower with [REDACTED] having account numbers [REDACTED] and [REDACTED] and all other Bank Accounts subject to a Blocked Account Agreement maintained by the Borrower with [REDACTED];

"[REDACTED] Mexico Unblocked Accounts" means (a) the Bank Accounts maintained by Canmex Dollarstores, S.A. de C.V. with [REDACTED] having account numbers [REDACTED] and [REDACTED] and (b) the Bank Accounts maintained by JOI Canadian Stores, S.A. de C.V. with [REDACTED] having account numbers [REDACTED] and [REDACTED];

"Secured Creditors" means the Agent and the Lenders.

"Securities Laws" means all applicable securities laws and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, notices, orders, blanket rulings and other regulatory instruments of the Securities Regulators, and all rules and policies of the TSX Venture Exchange and any other stock exchange on which securities of the Borrower are traded.

"Securities Regulators" means, collectively, the securities regulators or other securities regulatory authorities in each of the provinces and territories of Canada in which the Borrower is a reporting issuer and in any other jurisdictions whose Securities Laws are applicable to the Borrower.

"Security" means, at any time, the Liens in favour of the Secured Creditors, or any of them, in the Assets of the Credit Parties securing the obligations described in the applicable Security Documents.

"Security Documents" means the agreements, documents and instruments described as such in Schedule 5.1(hh), and any other security granted to the Secured Creditors, or any of them, as security for the Obligations of the Credit Parties under this Agreement and the other Credit Documents, or any of them (including, without limitation, any Blocked Account Agreements, Collateral Access Agreements, Credit Card Notifications, and Customs Broker/Carrier Agreements).

"SEDAR" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

"Shrink" means Inventory which has been lost, misplaced, stolen, or is otherwise unaccounted for.

"Solvent" means, with respect to any Person on a particular date, that on such date, (a) such Person is not for any reason unable to meet its obligations as they generally become due, (b) such Person has not ceased paying its current obligations in the ordinary course of business as they generally become due, and (c) the aggregate property of such Person is, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all its obligations, due and accruing due.

"Subject Properties" means collectively, the Owned Properties and the Leased Properties.

"Subsidiary" means, with respect to any Person (in this definition, the "**parent**"), at any date, (a) any corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all equity interests entitled to vote in the election of the Board of Directors thereof are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, (b) any partnership, (i) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (ii) the only general partners of which are the parent and/or one or more subsidiaries of the parent, and (c) any other Person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent.

"Supplement" has the meaning specified in Section 10.3.

"Swap Agreement" means any agreement with respect to any swap, forward, put, deferred premium put, hedge, future or derivative transaction or option or similar agreement, whether exchange traded, "over-the-counter" or otherwise, involving, or settled by reference to, one or more interest rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Trust Accounts" means the Bank Accounts maintained by [REDACTED], as trustee for the Borrower, with [REDACTED] having account number [REDACTED] and by [REDACTED], as trustee for the Borrower, with [REDACTED] having account number [REDACTED].

"TTM EBITDA" means cumulative EBITDA for the Borrower for the immediately preceding consecutive twelve calendar months.

"UCC" means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code (or similar code or statute) of another jurisdiction, to the extent it may apply to any item of Collateral.

"US Pension Plan" means any employee pension benefit plan covered by Title IV of ERISA (other than a Multiemployer Plan) that either (i) is maintained by any Corporate Credit Party or any of them, or (ii) with respect to which a Corporate Credit Party has or would reasonably be expected to have liability (including on account of its membership in a Controlled Group).

"USA Patriot Act" means the USA PATRIOT ACT (Title III of Pub. L. 107-56 (signed into law October 26, 2001).

"Voting Support Agreement" means the voting support agreements between the Key Shareholders and the Agent whereby, among other things, upon the exercise of the Warrants, in whole or in part, into [REDACTED] or more of the Borrower's issued and outstanding common shares, the Key Shareholders shall vote in favour of the appointment of one individual, selected by the Agent, as director on the Borrower's Board of Directors for so long as the Secured Creditors together with any Investors own [REDACTED] or more of the Borrower's issued and outstanding common shares.

"Warrant Agreement" means the warrant agreement dated the Closing Date (as amended, restated, supplemented or otherwise modified from time to time) between the Borrower and the Secured Creditors whereby, among other things:

- (a) [REDACTED];
- (b) such share purchase warrants have an exercise price per warrant equal to [REDACTED] of the Borrower's trailing 20 trading day closing volume weighted average share price per share immediately prior to the Closing Date;
- (c) such share purchase warrants are exercisable, in whole or in part, at the discretion of the holders; and

- (d) such share purchase warrants are exercisable at any time by the holders prior to or on the date that is five years from the Closing Date.

"Warrants" means, collectively, the warrants to be issued by the Borrower to the Secured Creditors under and pursuant to the terms of the Warrant Agreement.

"Working Capital" means, with respect to the Borrower on a consolidated basis, Current Assets less Current Liabilities.

"Working Capital Ratio" means, at any time, the ratio of (i) Current Assets to (ii) Current Liabilities.

Section 1.2 Gender and Number.

Any reference in the Credit Documents to gender includes all genders and words importing the singular number only include the plural and vice versa.

Section 1.3 Headings, etc.

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect the interpretation of this Agreement. The expressions **"Article"**, **"Section"**, **"Schedule"** and **"Exhibit"** followed by a number or other reference mean and refer to the specified Article, Section, Schedule or Exhibit of this Agreement.

Section 1.4 Currency.

All references in the Credit Documents to "Dollars" or "\$", unless otherwise specifically indicated, are expressed in the lawful currency of Canada.

Section 1.5 Certain Phrases, etc.

In any Credit Document, the words "including" and "includes" mean "including (or includes) without limitation", and the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of", in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding", and references to "this Agreement", "hereof" and "herein" and like references refer to such Credit Document and not to any particular Article, Section or other subdivision of such Credit Document.

Section 1.6 Non-Business Days.

Whenever any payment to be made hereunder shall be stated to be due or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Business Day, such payment shall be made or such action shall be taken on the next succeeding Business Day and, in the case of the payment of any amount, the extension of time shall be included for the purposes of computation of interest, if any, thereon.

Section 1.7 Accounting Terms.

- (1) All accounting terms not specifically defined in this Agreement shall be interpreted in accordance with IFRS.

- (2) If the Borrower adopts a change in an accounting policy in the preparation of its financial statements in order to conform to accounting recommendations, guidelines, or similar pronouncements, or legislative requirements, and such change would require disclosure thereof under IFRS, or would reasonably be expected to materially and adversely affect the rights of, or the protections afforded to, the Agent or the Lenders hereunder or the position either of the Borrower or of the Agent or the Lenders hereunder, the Borrower shall so notify the Agent, describing the nature of the change and its effect on the current and immediately prior year's financial statements in accordance with IFRS and in detail sufficient for the Agent and the Lenders to make the determination required of them in the following sentence. If the Borrower, the Agent or the Lenders determine at any time that such change in accounting policy results in a material adverse change either in the rights of, or protections afforded to, the Agent or the Lenders intended to be derived, or provided for, hereunder or in the position either of the Borrower or of the Agent and the Lenders hereunder, written notice of such determination shall be delivered by the Borrower to the Agent, in the case of a determination by the Borrower, or by the Agent to the Borrower, in the case of a determination by the Agent or the Lenders.
- (3) Upon the delivery of a written notice pursuant to Section 1.7(2) the Borrower and the Agent on behalf of the Lenders shall meet to consider the impact of such change in IFRS or such change in accounting policy (in each case, an "**Accounting Change**"), as the case may be, on the rights of, or protections afforded to, the Agent and the Lenders or on the position of the Borrower or of the Agent and the Lenders and shall in good faith negotiate to execute and deliver an amendment or amendments to this Agreement in order to preserve and protect the intended rights of, or protections afforded to, the Borrower or the Agent and the Lenders (as the case may be) on the date hereof or the position of the Borrower or the Agent and the Lenders (as the case may be); provided that, until this Agreement has been amended in accordance with the foregoing, then for all purposes hereof, the applicable changes from IFRS or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under IFRS prior to such change and the Borrower's prior accounting policy. For the purposes of this Section 1.7, the Borrower, the Lenders and the Agent acknowledge that the amendment or amendments to this Agreement are to provide substantially the same rights and protection to the Borrower, the Agent and the Lenders as is intended by this Agreement as at the Closing Date. If the Borrower and the Agent on behalf of the Lenders do not (for any reason whatsoever) mutually agree (in their respective sole discretions, without any obligation to so agree) on such amendment or amendments to this Agreement within sixty (60) days following the date of delivery of such written notice, the Borrower shall either continue to provide financial statements in accordance with IFRS prior to such change or provide all such financial information as is reasonably required (or requested by the Agent acting reasonably) in order for any amount required to be determined hereunder to be determined in accordance with IFRS prior to such change and/or the Borrower's prior accounting policy, including to the extent applicable the calculation of and the reason for the changed amounts as between IFRS prior to such change and IFRS, and, for all purposes hereof, the applicable changes from IFRS prior to such change or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under IFRS prior to such change and/or the Borrower's prior accounting policy.
- (4) If a Compliance Certificate is delivered in respect of a Financial Quarter or Financial Year in which an Accounting Change is implemented without giving effect to any revised method of calculating a financial calculation hereunder (each a "**Financial Calculation**"), and subsequently, as provided above, the method of calculating the Financial Calculation is revised in response to such Accounting Change, or the amount to be determined pursuant to the Financial Calculation is to be

determined without giving effect to such Accounting Change, the Borrower shall deliver a revised Compliance Certificate. Any Event of Default which arises as a result of the Accounting Change and which is cured by this Section 1.7 shall be deemed never to have occurred.

Section 1.8 Rateable Portion of a Facility.

References in this Agreement to a Lender's rateable portion of an Advance, the Revolving Facility or rateable share of payments of principal, interest, Fees or any other amount, shall mean and refer to a rateable portion or share as nearly as may be rateable in the circumstances, as determined in good faith by the Agent. Each such determination by the Agent shall be *prima facie* evidence of such rateable share.

Section 1.9 Incorporation of Schedules and Exhibits.

The schedules and exhibits attached to this Agreement shall, for all purposes of this Agreement, form an integral part of it.

Section 1.10 Conflict.

The provisions of this Agreement prevail in the event of any conflict or inconsistency between its provisions and the provisions of any of the other Credit Documents.

Section 1.11 Certificates.

Any certificate required by the terms of this Agreement or any Credit Document to be given by an officer of a Corporate Credit Party for and on behalf of any Corporate Credit Party shall be given without any personal liability on the part of the officer giving the certificate in such circumstances.

Section 1.12 Permitted Liens.

Any reference in this Agreement or any of the other Credit Documents to a Permitted Lien or a Lien permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien created by any of the Credit Documents to any Permitted Lien or any Lien permitted hereunder.

Section 1.13 References to Agreements.

Except as otherwise provided in this Agreement, any reference in this Agreement to any agreement or document means such agreement or document as the same may have been or may from time to time be amended, amend and restated, modified, extended, renewed, restated, replaced or supplemented in accordance herewith and therewith.

Section 1.14 Statutes.

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it and as the same may have been or may from time to time be amended or re-enacted.

Section 1.15 Divisions.

For all purposes under the Credit Documents, in connection with any division or plan of division permitted hereunder or under any other Credit Document (whether under Delaware law or any comparable

event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

ARTICLE 2 CREDIT FACILITY

Section 2.1 Revolving Facility.

- (1) The Lenders hereby establish the Revolving Facility in favour of the Borrower.
- (2) Each Lender severally agrees, on the terms and conditions of this Agreement, to make Advances rateably to the Borrower in accordance with such Lender's Commitment. The Advances shall be made available pursuant to Article 3.

Section 2.2 Commitment and Facility Limits.

- (1) The Advances Outstanding to all Lenders under the Revolving Facility shall not at any time exceed the lesser of (i) the Commitment and (ii) the Borrowing Base. The rateable portion of the Advances Outstanding to each Lender under the Revolving Facility shall not at any time exceed the lesser of (i) such Lender's rateable portion of the Commitment and (ii) such Lender's rateable portion of the Borrowing Base; and
- (2) Until the Maturity Date, the Borrower may borrow, repay and re-borrow Advances under the Revolving Facility, subject to Section 2.1(2).

Section 2.3 Use of Proceeds.

- (1) The Borrower shall use the proceeds of the Advances solely for the purposes of (a) subject to the prior written approval of the Agent, the leasing and tenant fit-out work related to new Eligible Stores reasonably anticipated to be incurred by the Borrower within 45 days of the date of such Advance (b) the purchase of Inventory by a Corporate Credit Party to be used in an Eligible Store and (c) the payment to the Secured Parties of Fees and expenses incurred in connection with the Credit Documents.

Section 2.4 Mandatory Repayments.

- (1) The Borrower shall repay the full amount of the Advances Outstanding under the Revolving Facility, together with all accrued unpaid interest and Fees and all other Obligations in connection with the Revolving Facility, on the Maturity Date; provided that such payment shall be on a Business Day and if such day is not a Business Day, such payment shall be on the immediately following Business Day. In addition, and without limiting the generality of the foregoing or Section 2.13, the Borrower shall pay to the Agent, for the account of the Lenders, in accordance with their respective rateable share of the Commitment, the amount, without duplication, by which the Advances Outstanding under the Revolving Facility exceeds the lesser of the Borrowing Base and the Commitment.

- (2) Unless otherwise agreed as between the Borrower, the Agent and the Lenders, the Borrower shall pay to the Agent, for the account of the Lenders, in accordance with the provisions of Section 2.10, the following amounts ("**Mandatory Repayments**"):
- (a) 100% of the Net Proceeds arising from any sale or other Disposition relating to all or any part of the Collateral or any interest therein (except in connection with Dispositions permitted by Section 6.2(h)(i)(A) and Section 6.2(h)(i)(C));
 - (b) 100% of the Net Proceeds from any issuance of Debt for borrowed money, including by way of bonds, promissory notes, debentures or similar evidences of indebtedness by the Corporate Credit Parties (except Debt permitted by Section 6.2(a)(iv) and Section 6.2(a)(v));
 - (c) 100% of the Net Proceeds from any issuance of Equity Securities by the Corporate Credit Parties, other than, with respect to any Financial Year, Net Proceeds from any issuance of Equity Securities by the Borrower within such Financial Year up to an aggregate amount equal to **[REDACTED]** in such Financial Year; provided that, in each case, such Net Proceeds up to such aggregate amount are used solely for the purpose of working capital, purchasing Eligible Inventory or funding Capital Expenditures;
 - (d) subject to Section 2.4(3), 100% of the Net Proceeds of any other grants, tax refunds, sales agreements, litigation settlements, licensing agreements, royalty agreements, casualty events, insurance payments, or other arrangements affecting all or any part of the Collateral; and

in each case promptly upon receipt thereof.

- (3) Unless otherwise agreed as between the Borrower, the Agent and the Lenders, the Borrower shall (unless the Corporate Credit Parties have insurance on a replacement cost basis and the proceeds or an amount not less than the proceeds has been expended or committed by such Corporate Credit Parties or their Subsidiaries for the repair or replacement of such property and the Borrower has provided to the Agent evidence reasonably satisfactory to the Agent of such expenditure or commitment), within ten (10) days following the receipt by a Corporate Credit Party or its Subsidiary of any Net Proceeds of insurance, apply, or, to the extent the Secured Creditors are loss payees under any insurance policy, irrevocably direct the Agent to apply, without premium or penalty, such Net Proceeds of insurance in prepayment of the Revolving Facility, subject to the terms of Section 2.10.
- (4) The Borrower shall give the Agent at least ten (10) Business Days' prior written notice of any Mandatory Repayment pursuant to Section 2.4(2) and Section 2.4(3), including the reason and the amount.

Section 2.5 Interest.

- (1) All outstanding Obligations shall bear interest on the unpaid principal amount thereof (including, to the extent permitted by Applicable Law, on interest thereon not paid when due) from the date of an Advance until paid in full in cash at the Applicable Rate.
- (2) Each change in the Prime Rate shall be reflected in the Applicable Rate as of the Business Day following the date of such change.

- (3) Subject to Section 2.14, interest payable under the Revolving Facility shall be paid by the Borrower.
- (4) If any Default or Event of Default occurs, then from the date such Default or Event of Default occurs until it is no longer continuing, or until all Obligations irrevocably and indefeasibly are paid and performed in full, as the case may be, in the discretion of the Agent, the Borrower will be obligated to pay interest (including interest on interest) on the unpaid Obligations (after as well as before maturity and judgment) at a per annum rate that is equal to the Applicable Rate plus the Default Rate. All such interest shall be payable on demand by the Agent.

Section 2.6 Payments under this Agreement.

- (1) Unless otherwise expressly provided in this Agreement, the Borrower shall make any payment required to be made by it to the Agent or a Lender by depositing the amount of the payment to the Agent in immediately available funds not later than 10:00 a.m. (Toronto time) on the date the payment is due, and with respect to prepayments or repayments of Advances Outstanding under the Revolving Facility, provide to the Agent, upon five (5) Business Days' notice to the Agent, which notice shall be irrevocable and binding on the Borrower and shall specify (x) the date of repayment, which date shall be a Business Day, and (y) the amount of Advances Outstanding to be repaid.
- (2) Payments made hereunder shall be made on a Business Day. Payments received by the Agent before 10:00 a.m. (Toronto time) on a Business Day will be given value on that Business Day. All payments received by the Agent after 10:00 a.m. (Toronto time) will be given value on the next following Business Day.
- (3) The Borrower shall make each such payment under the Credit Documents in Dollars.
- (4) Any amount received by the Agent for the account of the Lenders or any of them shall be held in trust for their respective benefit until a distribution and shall be deemed to be payment to such Lenders in accordance with the terms of this Agreement.

Section 2.7 Optional Prepayments; Termination and Reductions of Commitment.

- (1) The Borrower may exercise the option to reduce the Commitment, in whole or in part, under the Revolving Facility at any time upon at least sixty (60) days' prior written notice of such reduction. Upon exercise of such option, the Borrower shall pay to the Agent on behalf of the Lenders upon the expiry of such sixty (60) day period the amount of the proposed reduction or the amount of the Advances Outstanding under the Revolving Facility together with all accrued but unpaid interest thereon, any applicable Fees and any other Obligations due under this Agreement in connection with the Revolving Facility. Any such reduction of the Commitment under this Section 2.7(1) shall be permanent and irrevocable. No prepayment fee or penalty shall be payable in connection with the exercise of the foregoing option.

Section 2.8 Cash Management, Collections and Blocked Accounts

- (1) Subject to Section 2.8(5), Section 2.8(6) and Section 2.8(7) each Blocked Account Credit Party shall forthwith upon receipt and in any event within 3 Business Days, pay all of its cash receipts and deposit all of its cheques and other payments (including all proceeds of Collateral, insurance and reinsurance) into the appropriate Blocked Account (subject to the terms of Section 6.2(y)

hereof), direct all of its obligors, customers, insurers and all other Persons from whom a Blocked Account Credit Party, as applicable, may become entitled to receive payments (including proceeds arising from sale of Assets, business interruption insurance, liquidated damages under any agreement, any performance bond, letter of credit or guarantee, any warranty claim, or property insurance) to pay all such amounts directly to the appropriate Blocked Account (subject to the terms of Section 6.2(y) hereof) and ensure that at all times the Agent has viewing rights by way of electronic access to such Bank Account or securities account, as applicable, including the transactions and balances with respect to such Bank Account or securities account, as applicable.

- (2) Until an Event of Default has occurred that is continuing, the Blocked Account Credit Parties at their expense, may enforce, collect, and receive all amounts owing to them in the ordinary course of business. After the occurrence of an Event of Default that is continuing, any cheques, cash, credit card sales and receipts, notes or other instruments or property received by a Blocked Account Credit Party with respect to any Collateral, shall be held by the Blocked Account Credit Party in trust for the Agent, on behalf of the Lenders, separate from the Blocked Account Credit Party's own property and funds, and promptly turned over to the Agent with proper assignments or endorsements by deposit to the Blocked Accounts or the Agent's bank account, or deposited directly by the Blocked Account Credit Parties to the Blocked Accounts or the Agent's bank account. Upon the occurrence of an Event of Default that is continuing, each of the Blocked Account Credit Parties shall indicate on all of its invoices that funds should be delivered to and deposited in the Agent's bank account; and direct all of its obligors and customers to deposit any and all proceeds of all Collateral into the Agent's bank account.
- (3) Upon the occurrence and during the continuance of an Event of Default, the Agent may, pursuant to the Blocked Account Agreements, deliver notice to the depository bank with respect to one or more of the Blocked Accounts (an "**Activating Notice**"), and upon and following delivery of any such Activating Notice, the relevant depository bank will, on a daily basis, wire, or otherwise transfer, in immediately available funds, all funds received or deposited into such Blocked Accounts to such bank account as the Agent may from time to time designate for such purpose.
- (4) On each Business Day during which an Activating Notice is in effect, the Agent shall apply all amounts received by it on such Business Day from the Blocked Accounts to the outstanding Obligations in accordance with the terms of this Agreement and the other Credit Documents. Each of the Blocked Account Credit Parties hereby acknowledges and agrees that, as of the Closing Date, such Blocked Account Credit Party shall immediately deposit or cause to be deposited all proceeds of Collateral only in Blocked Accounts. Each Blocked Account Credit Party agrees that all payments made to the Blocked Accounts or other funds received and collected by the Agent, whether in respect of proceeds of Collateral, or otherwise, shall, upon the issuance of an Activating Notice, be subject to the Agent's sole control and shall be treated as payments to the Agent in respect of the Obligations and therefore shall constitute the property of the Agent and the Lenders to the extent of the amount of the outstanding Obligations. The receipt of any payment item by the Agent (whether from transfers to the Agent pursuant to a Blocked Account Agreement or otherwise) shall not be considered a payment on account unless such payment item is a wire transfer of immediately available funds made to the Agent's bank account or unless and until such payment item is honoured when presented for payment. Should any payment item be paid to the Agent in a foreign currency, the Agent shall not be obligated to apply any particular exchange rate to such currency and may rely on the depository bank (identified in the Blocked Account Agreement) to convert such foreign currency into Dollars. The Agent shall not be liable or be required to indemnify any Blocked Account Credit Party or any other Person or its depository bank for any foreign exchange losses, fluctuations, etc. The Agent is not required to credit the Advances

Outstanding or the other Obligations for the amount of any item of payment which is returned to the Agent unpaid and the Agent may charge the Revolving Facility for the amount of any item of payment which is returned to the Agent unpaid.

- (5) The Borrower may transfer cash from the [REDACTED] Canada Accounts to any of the [REDACTED] Mexico Unblocked Accounts; provided that (i) such transferred cash is used by the Corporate Credit Parties within 2 Business Days of receipt in the [REDACTED] Mexico Unblocked Account solely to pay for (a) services from third party service providers, (b) Inventory to be used in an Eligible Store, (c) leasing and tenant fit-out work related to new Eligible Stores, (d) salary expenses to employees employed by the Corporate Credit Parties and related payroll taxes, (e) Lease payments to an owner, landlord, or lessor of a Leased Property, or (f) the maintenance or repair of the Subject Properties, in each case, in the ordinary course of business (and, for greater clarity, subject to Article 6) and (ii) no Event of Default has occurred and is continuing.
- (6) The Corporate Credit Parties may transfer cash from a Blocked Account to the [REDACTED] Unblocked Account; provided that (i) such transferred cash is used by the Corporate Credit Parties solely for the payment of customs, duties, tariffs or value-added tax incurred by the Corporate Credit Parties in connection with the purchase of Inventory from Approved Foreign Vendors, and (ii) no Event of Default has occurred and is continuing.
- (7) The Borrower may receive cash proceeds into a Trust Account from any issuance of its Equity Securities or from the initial Advance under this Agreement, provided that (i) such cash may be used by the Borrower solely for the payment of fees and expenses incurred by the Borrower (a) in connection with such issuance or (b) in connection with this Agreement, (ii) such cash is transferred within 3 Business Days of receipt in the Trust Account to the [REDACTED] Canada Accounts (net of any amounts used in accordance with clause (i) hereof), and (iii) no Event of Default has occurred and is continuing. In addition, any cash of the Borrower in a Trust Account on the Closing Date shall be transferred within 7 Business Days of the Closing Date to
- (8) the [REDACTED] Canada Account.

The Corporate Credit Parties shall immediately transfer all cash in the [REDACTED] Mexico Unblocked Account (x) not used in accordance with clause (i) of Section 2.8(5) into a Blocked Account. Upon the occurrence of an Event of Default, the Corporate Credit Parties shall immediately transfer all cash (i) in the [REDACTED] Mexico Unblocked Account into a Blocked Account and (ii) in the Trust Accounts into the [REDACTED] Canada Accounts.

Section 2.9 Fees.

- (1) The Borrower shall pay to the Agent for the rateable benefit of the Lenders (i) on the Funding Date, a closing fee equal to [REDACTED] and (ii) on or prior to the date that is 90 days following the Funding Date, a closing fee equal to [REDACTED].
- (2) The Borrower shall pay to the Agent for the account of the Lenders a standby fee calculated at the rate per annum equal to [REDACTED] per annum of the difference between the Commitment (for greater certainty, such Commitment amount at such time reflecting any reductions or redeterminations that had been applied pursuant to this Agreement) and the average of the daily aggregate principal amount of outstanding Advances made under the Revolving Facility, calculated and payable in Dollars quarterly in arrears on the first Business Day following the end of each Financial Quarter and on the Maturity Date. Such fee shall be earned by the Lenders on a rateable basis based on the proportion that each Lender's unused Commitment bears to the aggregate unused Commitment.

- (3) The Borrower shall pay to the Agent an annual monitoring fee equal to [REDACTED], payable in quarterly installments on the Closing Date and each three-month anniversary of the Closing Date.

Section 2.10 Application of Payments and Prepayments.

All amounts received by the Agent from or on behalf of the Borrower and not previously applied pursuant to this Agreement shall be applied by the Agent as follows: (a) first, in reduction of the Borrower's obligation to pay any unpaid expense reimbursements and Fees (in that order) which are due and owing to the Agent and the Lenders, (b) second, in reduction of the Borrower's obligation to pay interest on the Revolving Facility, (c) third, in reduction of the Borrower's obligation to pay any claims or losses referred to in Section 10.6, (d) fourth, in reduction of the Borrower's obligation to pay any Advance Outstanding under the Revolving Facility, (e) fifth, in reduction of any other obligation of the Borrower under this Agreement and the other Credit Documents, and (f) sixth, to the Borrower or such other Persons as may lawfully be entitled to or directed to receive the remainder. The Agent may vary the foregoing order without the consent of the Borrower.

Section 2.11 Computations of Interest and Fees.

- (1) Interest shall accrue daily on Advances Outstanding and all Obligations under the Revolving Facility and all such interest shall be calculated, compounded and payable monthly in arrears in cash on the first Business Day of each calendar month, and in all cases computations of interest shall be made by the Agent taking into account the actual number of days occurring in the period for which such interest is payable and on the basis of a year of 365 or 366 days, as applicable, including the first day but excluding the last day in the period for which interest is payable.
- (2) All computations of Fees shall be made by the Agent on the basis of a year of 365 or 366 days, as applicable, taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which the fees are payable.
- (3) For purposes of the *Interest Act* (Canada), whenever any interest or Fee under this Agreement is calculated using a rate based on a year of 365 days, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 365 days, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 365, the principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement, and the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields. The Borrower and each other Credit Party confirms that it understands and is able to calculate the rate of interest applicable to all of the Advances based on the methodology for calculating *per annum* rates provided in this Agreement. The Borrower and each other Credit Party irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to this Agreement or any other Credit Document, that the interest payable under this Agreement or any other Credit Document and the calculation thereof has not been adequately disclosed to the Borrower or the other Credit Party, as applicable, as required pursuant to Section 4 of the *Interest Act* (Canada) or any other applicable law.
- (4) If any provision of this Agreement or of any of the other Credit Documents would obligate any Credit Party to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by Applicable Law or would result in a receipt by such Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)) then, notwithstanding such provisions, such amount or rate shall be deemed to have been

adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Applicable Law or so result in a receipt by such Lender of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: firstly, by reducing the amount or rate of interest required to be paid to such Lender under the applicable Credit Document, and thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to such Lender which would constitute "interest" for purposes of Section 347 of the *Criminal Code* (Canada).

Section 2.12 Borrowing Base

- (1) The Borrowing Base in effect as of the Funding Date will be set by the Agent upon receipt of the Borrowing Base Certificate indicated in Section 4.1(a). Such Borrowing Base shall remain in effect until the next redetermination made pursuant to this Section 2.12. The Borrowing Base is subject to periodic redetermination pursuant to this Section 2.12.
- (2) Subject to Section 2.12(5) below, the Borrowing Base shall be redetermined monthly (in this Section 2.12, a "**Monthly Redetermination**"). Each Monthly Redetermination shall be effectuated as follows:
 - (a) The Borrower shall deliver to the Agent, as required under Section 6.1(a)(vii), a Borrowing Base Certificate and all related information described herein. Any change to the Borrowing Base, if applicable, shall be effective on the next Business Day after each Borrowing Base Certificate and related information contemplated under Section 6.1(a)(vii) is delivered, subject to paragraph (b) below.
 - (b) In the event the Borrower does not furnish to the Agent the Borrowing Base Certificate and related information in accordance with paragraph (a) above by the dates required in Section 6.1(a)(vii), or if the Agent believes there to be manifest error or inaccuracies in such Borrowing Base Certificate or in the information from which the Borrowing Base calculations were derived at any time or time to time, the Agent may give notice to the Borrower and redetermine the Borrowing Base from time-to-time in good faith, with notice of such redetermination promptly provided to the Borrower in writing.
- (3) In addition to the Monthly Redeterminations, upon the Agent's receipt of a Borrowing Base Certificate pursuant to Section 4.2(j), the redetermined Borrowing Base indicated in such certificate shall be effective on the next Business Day after the Agent's receipt of such Borrowing Base Certificate.
- (4) In addition to the Monthly Redeterminations, based on such information as the Agent deems relevant, which may include future projections of EBITDA of the Credit Parties, information related to the Business, industry, purported Dispositions, and/or pending or expected transactions, events or other occurrences which could have a Material Adverse Effect, or an event or occurrence which could have a Material Adverse Effect on the business, financial condition, or Debt obligations of the Corporate Credit Parties or such other factors which could have a Material Adverse Effect as the Agent customarily deems appropriate, the Agent may make any additional redeterminations of the Borrowing Base at any time. For the avoidance of doubt, such additional redeterminations of the Borrowing Base shall not constitute nor be construed as a consent to any transaction or proposed transaction that would not be permitted under the terms of this Agreement. The Agent shall give the Borrower at least ten (10) Business Days' prior written notice that a redetermination of the Borrowing Base pursuant to this paragraph is to be performed; provided that,

no such prior written notice shall be required for any redetermination made by the Agent during the existence of an Event of Default. In connection with any redetermination of the Borrowing Base under this paragraph, the Borrower shall provide the Agent with such information as may be reasonably requested by the Agent with respect to the calculation of the Borrowing Base, the transactions, events or occurrences indicated above, or otherwise as applicable. The Agent shall promptly notify the Borrower in writing of each redetermination of the Borrowing Base pursuant to this paragraph.

- (5) Notwithstanding anything to the contrary in this Agreement, if an Event of Default has occurred and is continuing, the Monthly Redetermination shall be redetermined as frequently as the Agent in its sole discretion may specify from time to time.
- (6) In addition to the above, if (i) the Borrower makes, or is obligated pursuant to a transaction to make, a Mandatory Repayment that will, or (ii) the Assets which are subject to a proposed Disposition, or series of related Dispositions will, in the opinion of the Agent and based on, without limitation, a review of the TTM EBITDA of the Credit Parties and the net effect of the Disposition or transaction from which the Mandatory Repayment arose, have an immediate and material affect on future EBITDA of the Credit Parties, then upon the consummation of any such Mandatory Repayment or Disposition, the Borrowing Base shall be redetermined, effective immediately upon such Mandatory Repayment or Disposition, by a corresponding amount with notice of such redetermination promptly provided to the Borrower in writing.

Section 2.13 Borrowing Base Shortfall

- (1) If at any time, any redetermination of the Borrowing Base results in the Advances Outstanding pursuant to the Revolving Facility exceeding the lesser of the Commitment and the Borrowing Base (such difference being the "**Borrowing Base Shortfall**") then the Borrower shall within [REDACTED] following the occurrence of the Borrowing Base Shortfall, repay such Advances Outstanding as is required to eliminate such Borrowing Base Shortfall.
- (2) Until a Borrowing Base Shortfall is eliminated:
 - (a) no Advances under the Revolving Facility will be available without the prior consent of the Agent; and
 - (b) if the Borrowing Base Shortfall is not eliminated when required above in Section 2.13(1), the interest rate applicable to all Obligations will increase by the Default Rate until any such Borrowing Base Shortfall is eliminated.

Section 2.14 Interest Reserve

- (1) The Agent shall withhold from each Advance made by the Borrower during any time on or after the Funding Date to the date that is one year after the Funding Date (the "**Interest Withholding Period**"), [REDACTED] (such amounts, collectively, the "**Interest Reserve**"). On the first Business Day of each calendar month, the Agent shall disburse to itself from the Interest Reserve all accrued and unpaid interest for the prior month owing to it by the Borrower in respect of such Advances, which disbursements will be credited to the Borrower as a payment of interest on such Advances. The Agent may withhold additional amounts from any Advance made during the Interest Withholding Period that it determines, in its sole discretion, are necessary to establish

sufficient Interest Reserves for prior Advances due to an increase in the Applicable Rate, which additional amounts will also be deemed to be "**Interest Reserves**". Notwithstanding that the Interest Reserves are withheld by the Agent in accordance with this Section, such amounts shall be deemed to be Advances under this Agreement however interest shall not accrue thereon in accordance with this Agreement.

ARTICLE 3 ADVANCES AND SECURITY

Section 3.1 Advances.

- (1) Each Lender severally agrees, on the terms and conditions of this Agreement, to make Advances to the Borrower under the Revolving Facility, from time to time on any Business Day prior to the Maturity Date.
- (2) Each Advance under the Revolving Facility shall be in the aggregate minimum amount of \$500,000 and in minimum increments of \$50,000.

Section 3.2 Procedure for Advances.

Advances under the Revolving Facility shall be made on three (3) days' prior written notice, unless waived by the Agent in its sole discretion, given not later than 10:00 a.m. (Toronto time) by the Borrower to the Agent, in substantially the form of Exhibit 1 (the "**Notice of Advance**"), and shall be irrevocable and binding on the Borrower. Upon receipt by the Agent of funds from the applicable Lenders and fulfilment of the applicable conditions set forth in Article 4, the Agent will make such funds available to the Borrower in accordance with Article 2 within the time provided as aforesaid.

At the Agent's option, exercised in the Agent's sole discretion, the Agent may (at any time) (a) deduct the aggregate amount of any outstanding principal, interest, fees, costs, expenses, and other charges (including wire transfer charges) and amounts provided for in this Agreement (including all charges, outside counsel's fees and any other fees incurred by the Agent and the Lenders) or in any other Credit Documents on the due date thereof from an Advance, (b) treat such amounts as an Advance under the Revolving Facility, or (c) disburse such amounts by way of direct payment, in which event such disbursement shall be deemed to form part of the Obligations outstanding.

Section 3.3 Reliance upon Borrower Authority

On or prior to the Closing Date, the Borrower shall deliver to the Agent a writing setting forth the Bank Account(s) of the Borrower to which the Agent is authorized to transfer the proceeds of any Advance requested by the Borrower pursuant to Section 3.2, which Bank Account shall be reasonably satisfactory to the Agent and shall be a Blocked Account, and the names of the officers authorized to request an Advance on behalf of the Borrower, and shall provide the Agent with a specimen signature of each such officer. The Agent shall be entitled to rely conclusively on such officer's authority to request an Advance on behalf of the Borrower, the proceeds of which are to be transferred to any of the Bank Accounts specified by the Borrower pursuant to the immediately preceding sentence, until the Agent receives written notice to the contrary. The Agent shall have no duty to verify the identity of any individual representing himself as one of the officers authorized by the Borrower to make such requests on its behalf. The Agent shall not incur any liability to the Borrower as a result of acting upon any Notice of Advance, which notice the Agent believes in good faith to have been given by an officer duly authorized by the Borrower to request an Advance on its behalf or for otherwise acting in good faith under this Section 3.3, and the crediting of any

Advance to any Bank Account, or transmittal to such other Person's bank account as the Borrower shall direct, shall conclusively establish the obligation of the Borrower to repay such Advance as provided herein.

Section 3.4 Security.

The present and future Obligations of the Borrower and each other Credit Party to the Agent and the Lenders howsoever arising or incurred hereunder and under the Credit Documents, as applicable, will be secured by the Security Documents described in Schedule 5.1(hh), each in a form acceptable to the Lenders.

Section 3.5 Sharing of Security.

The Borrower and the Secured Creditors agree and acknowledge that, subject to Section 8.4, the Security pursuant to the Security Documents is being shared equally among the Secured Creditors to secure the Obligations of the Credit Parties under the Credit Documents on a rateable basis.

Section 3.6 Exclusivity of Remedies.

Nothing herein contained or in the Security Documents now held or hereafter acquired by the Agent and the Lenders, nor any act or omission of the Agent and the Lenders with respect to any such Security Documents, will in any way prejudice or affect the rights, remedies or powers of the Agent and the Lenders with respect to any other security at any time held by the Agent and the Lenders.

Section 3.7 Form of Security.

The Security Documents will be in such form or forms as will be required by the Agent and will be registered in such public registry offices in Canada or any province or territory thereof, in Mexico or any state thereof, and in the United States or any state thereof as the Agent may from time to time require to protect the Liens created thereby. Should the Agent determine at any time and from time to time that the form and nature of the then existing Security Documents is deficient in any way or does not fully provide the Agent or the Lenders with the Liens and priority to which each is entitled hereunder, the Borrower will forthwith execute and deliver or cause to be executed and delivered to the Agent, at the Borrower's expense, such amendments to the Security Documents or provide such new security as the Agent may reasonably request.

Section 3.8 After-Acquired Property.

All property acquired by or on behalf of the Borrower or any Credit Party who has provided any Security which forms part of the Assets of the Borrower or such Credit Party that is secured by the Security Documents granted by such Person (in this Section 3.8, "**After-Acquired Property**"), will be subject to the Security Documents without any further conveyance, mortgage, pledge, charge, assignment or other act on the part of the Agent, the Lenders or the Credit Parties. Without limiting the effect of the preceding sentence, the Borrower will, or will cause the applicable Credit Party to, from time to time execute and deliver, or cause to be executed and delivered, and the Agent will register, as applicable, all at the Borrower's expense, such instruments supplemental to the Security Documents, in form and substance satisfactory to the Agent as may be necessary or desirable to ensure that the Security Documents as amended and supplemented constitute in favour of the Agent and the Lenders an effective Lien to the extent created by the Security Documents over such After-Acquired Property as required hereunder, subject only to Permitted Liens which under Applicable Law rank in priority thereto.

Section 3.9 Further Assurances re: Security.

The Borrower will and will cause each Credit Party, in connection with the provision of any amended, new or replacement Security Documents referred to in Section 3.8:

- (a) do, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required by the Agent to give effect to any provision of the amended, new or replacement Security Documents;
- (b) provide the Agent with such information as is reasonably required by the Agent to identify the property to be charged;
- (c) do all such things as are reasonably required to grant the Liens to be granted pursuant to the amended, new or replacement Security Documents;
- (d) provide the Agent with all corporate, partnership or other organizational resolutions and other action required for the Borrower or such other Credit Party to grant the amended, new or replacement Security Documents;
- (e) provide the Agent with an opinion of the Borrower's counsel confirming the due authorization, execution and delivery by the applicable Credit Party of all such agreements and instruments comprising the amended, new or replacement Security Documents in form and content satisfactory to the Agent; and
- (f) assist the Agent in the registration or recording of such Security Documents in such public registry offices in Canada, Mexico and the United States and any province or state thereof or other relevant jurisdiction as the Agent deems necessary to protect the Liens created by such Security Documents.

**ARTICLE 4
CONDITIONS OF LENDING**

Section 4.1 Conditions Precedent to Funding Date Advance.

The obligation of the Lenders to make the initial Advance under this Agreement on the Funding Date is subject to the following conditions precedent being met or otherwise waived by the Agent, in each case, as determined by the Agent in its sole discretion:

- (a) the Agent has received, in form and substance satisfactory to the Lenders and their counsel and in sufficient quantities for each Lender:
 - (i) certified copies of the constating documents, articles of incorporation or organization, by-laws, or operating agreement, as applicable, of each Corporate Credit Party, all resolutions of the Board of Directors or shareholders, as the case may be, of each Corporate Credit Party approving the borrowing or guarantee of the borrowing and other Obligations, granting of security and other matters contemplated by this Agreement and the other Credit Documents, and a list of the officers and directors authorized to sign agreements together with their specimen signatures;

- (ii) good standing, status, compliance, extract or like certificate with respect to each Corporate Credit Party issued by the appropriate Governmental Authority of the jurisdiction of its incorporation or amalgamation and of each jurisdiction in which it owns any material assets or carries on any material business;
- (iii) this Agreement, the Security Documents and the other Credit Documents required by the Lenders duly executed and delivered by each Credit Party party thereto;
- (iv) a Borrowing Base Certificate dated as of the Funding Date [REDACTED];
- (v) a Notice of Advance, which sets forth, among other things, an anticipated use of proceeds by the Borrower for such Advance which is permitted by Section 2.3(1), as determined by the Agent in its sole discretion, dated as of the Funding Date in accordance with the provisions of Section 3.2; provided that the amount requested is not more than 50% of the April 30, 2023 Borrowing Base Certificate;
- (vi) a Compliance Certificate from the Borrower dated as of the Funding Date evidencing (A) the Borrower's pro forma compliance with the financial covenants set forth in Section 6.3 and (B) the amount of the Borrower's Working Capital is consistent with customary industry levels as of the Funding Date (excluding any Advances to be made hereunder on the Funding Date);
- (vii) registrable financing change statements or discharges or authorizations to discharge in customary form with respect to any Lien identified by the Agent affecting the property of the Credit Parties that is not a Permitted Lien;
- (viii) (A) all documents, instruments, financing statements and security notices, which shall have been properly registered, recorded and filed or submitted for registration in a form approved by the Agent in all jurisdictions as the Agent may require, including at any Land Titles Office, if any (B) searches conducted against each Credit Party in all jurisdictions as the Agent may require, and (C) all assignments, consents, estoppel letters, approvals, acknowledgements, undertakings, intercreditor agreements, subordinations, postponements, non-disturbance agreements, discharges, waivers, directions, negotiable documents of title and other documents and instruments which, in the opinion of the Agent, are desirable or required to make effective the Security and to ensure the perfection and the first ranking priority of such Security over the Collateral, subject to Permitted Liens, including from any landlords, warehousemen, mortgagees, lessors, licensors, and others that might have or assert claims against the Collateral;
- (ix) certificates representing the Equity Securities pledged pursuant to the Security Documents together with duly executed stock transfer powers, as contemplated by Schedule 5.1(hh);
- (x) certificates of insurance, dated no later than the Closing Date, showing the Agent as additional insured on behalf of the Secured Creditors (in the case of liability insurance) and first loss payee in respect of the Collateral with respect to insurance required to be maintained by the Corporate Credit Parties pursuant to Section 6.1(o);

- (xi) an opinion of Canadian and Mexican counsel to each Corporate Credit Party addressed to the Lenders and the Agent relating to, among other things, the status and capacity of such Corporate Credit Party, the due authorization, execution and delivery by, and the validity and enforceability of the Credit Documents, including the validity of security interest pursuant to the Security Documents, to which such party is a party in respect of each Corporate Credit Party, non-contravention of laws and constating documents, perfection of the Security granted pursuant to the Security Documents to which such party is a party in, where applicable, the jurisdiction of incorporation, organization or amalgamation of such Corporate Credit Party;
 - (xii) an opinion from counsel to the Borrower as to the Warrant Agreement, the Director Nomination Agreement, and the Voting Support Agreement and the valid issuance of the Warrants in accordance with all Applicable Laws;
 - (xiii) all approvals, acknowledgments and consents of all Governmental Authorities and other Persons which are required to be obtained by any Credit Party in order to complete the transactions contemplated by this Agreement and to perform its obligations under any Credit Document to which it is a party;
 - (xiv) subordination and postponement of (A) any Debt disclosed on Schedule 6.2(a)(iii), as may be required by the Agent, and (B) all Related Party Debt, if any;
 - (xv) employment agreements with key employees of the Corporate Credit Parties;
 - (xvi) the documentation and other information that is required by the Agent and the Lenders pursuant to Anti-Terrorism Laws and applicable "know your client" laws and regulations;
 - (xvii) confirmation from the Agent's Mexican counsel that all applicable Security Documents have been properly registered, recorded, and filed in Mexico to create first ranking priority Liens on the relevant Collateral, subject to Permitted Liens;
 - (xviii) (i) the Collateral Access Agreement with respect to the Corporate Credit Party's warehouse, (ii) a sufficient number, to the satisfaction of the Agent, of Collateral Access Agreements and/or Mexican Landlord Notices with respect to Eligible Stores and (iii) the Customs Broker/Carrier Agreement, in each case, as required by the Agent, duly executed and delivered by each Corporate Credit Party party thereto and each other Person party thereto; and
 - (xix) such other certificates, agreements and documentation as the Agent may reasonably request;
- (b) the Agent shall have completed, to the satisfaction of the Agent and the Lenders, a due diligence review of the Credit Parties, the Business and the Collateral, including a review of the capital structure of the Corporate Credit Parties, their assets, books and records, management, operations and financial and business condition and a review of the Leases and all environmental matters impacting any of the Collateral;

- (c) the Agent shall have completed, to the satisfaction of the Agent, a background check on [REDACTED] the Board of Directors of the Borrower and the senior management of the Borrower,
- (d) there exists no order, judgment, writ or decree, which either restricts, restrains, enjoins or otherwise prohibits or purports to restrict, restrain, enjoin or otherwise prohibit the ability of any Credit Party to enter into any Credit Document or perform its Obligations;
- (e) each of the representations and warranties set out in Article 5 will be true and correct with the same effect as if such representations and warranties had been made on the Closing Date (other than those set forth as of an earlier date, in which case the same shall be true and correct as at such date);
- (f) the Credit Parties have performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with prior to or on the Closing Date;
- (g) satisfactory review of all terms and conditions of all material documentation with or concerning third parties, including lease, license, sales, marketing, master service, distribution, supply, purchase, service, maintenance, sub-contractor, and representation agreements;
- (h) none of the Corporate Credit Parties shall have any Debt other than Debt permitted by this Agreement, and the Agent shall have received payout letters from creditors with respect to any Debt of any Corporate Credit Party not permitted hereunder;
- (i) none of the Corporate Credit Parties shall have any Liens other than Permitted Liens, and the Agent shall have received releases and discharges with respect to all Liens affecting the Collateral not permitted hereunder;
- (j) all third party, government, and shareholder permits, consents and approvals that are necessary or advisable in relation to the Revolving Facility have been obtained, with related legal opinions, where requested;
- (k) the Security Documents granted by the Credit Parties shall create first ranking priority Liens on the Collateral, subject to Permitted Liens, and all documents, instruments, financing statements and security notices shall have been properly registered, recorded and filed in all jurisdictions as the Agent may require;
- (l) demonstration by the Borrower to the satisfaction of the Agent that: (i) the Corporate Credit Party's operations comply in all respects deemed material by the Agent with all Applicable Law, including, but not limited to, applicable environmental, health and safety, pension plan and labour laws and regulations and (ii) the Corporate Credit Party's operations are not subject the subject of any governmental investigation, evaluation or any remedial action involving any expenditure deemed material by the Agent;
- (m) no Credit Party, nor any of such Credit Party's officers or directors, has or is the subject of any material liability or contingent liability or any material ongoing, pending, or threatened litigation or investigation, in each case, not disclosed in writing to the Agent;

- (n) there has not occurred any material adverse change in the Business, operations, property, affairs, profits, prospects or results of any of the Corporate Credit Parties since January 31, 2023 that has, or could be reasonably expected to have, a Material Adverse Effect;
- (o) delivery of a certificate from a Key Officer of the Borrower, as determined by the Agent in its sole discretion, certifying that all statements and representations made to the Agent on or before the Closing Date are accurate and valid;
- (p) the Borrower has issued the Warrants to the Secured Creditors and the Warrant Agreement, the Director Nomination Agreement, and the Voting Support Agreement have been executed and delivered to the Agent and the Agent has received all required documents in connection therewith;
- (q) the Agent has received satisfactory evidence that all requirements under the Warrant Agreement and any related agreements in order to issue shares upon exercise of the Warrants are complete; and
- (r) receipt by the Agent of Fees (including the Fees set forth in Section 2.9(1)(i) and Section 2.9(3)), and all other fees, expenses and amounts payable under the Credit Documents prior to or on the Closing Date are paid in full, including all reasonable expenses incurred by the Secured Creditors, including the reasonable fees, charges and disbursements of counsel, in connection with the preparation, negotiation, execution, delivery and administration of this Agreement, the other Credit Documents and the Warrant Agreement, the Director Nomination Agreement, and the Voting Support Agreement.

Section 4.2 Conditions Precedent to Each Advance.

The obligation of each Lender to make available any Advance under this Agreement is subject to and conditional upon the satisfaction of each of the following conditions precedent:

- (a) the appropriate Notice of Advance, which sets forth, among other things, an anticipated use of proceeds by the Borrower for such Advance which is permitted by Section 2.3(1), as determined by the Agent in its sole discretion, will have been delivered in accordance with the provisions of Section 3.2 and the terms and conditions thereof shall have been fully complied with;
- (b) each of the representations and warranties set out in Article 5 will be true and correct with the same effect as if such representations and warranties had been made on the date of such Advance (other than those set forth as of an earlier date, in which case the same shall be true and correct as at such date);
- (c) there shall have been no material damage or destruction to any of the Collateral, nor any material depreciation in the value thereof;
- (d) there shall have been no material adverse change in the business, assets, properties, operations, conditions or projections of the Borrower (on a consolidated basis);
- (e) no Default, Event of Default or Borrowing Base Shortfall will have occurred and be continuing on the date of such Advance, or will arise as a result of the making of the Advance;

- (f) the Borrower shall have paid to the Agent and the Lenders all fees and expenses required to be paid by or on behalf of the Borrower at or before the time of such Advance;
- (g) such Advance will not violate any Applicable Law, judgment or order;
- (h) there has not occurred any material adverse change in the Business, operations, property, profits or prospects of any of the Corporate Credit Parties since January 31, 2023 that has, or could be reasonably expected to have, a Material Adverse Effect;
- (i) there has not occurred, developed or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any Applicable Law, or other occurrence of any nature whatsoever which materially adversely affects, or may materially adversely affect, the financial, banking (including syndication markets) or capital markets in Canada; and
- (j) the Agent shall have received a Borrowing Base Certificate signed by a Key Officer calculating the Borrowing Base as of a date no more than ten (10) Business Days prior to the date of such Advance, together with all related information in respect of the matters set forth in the Borrowing Base Certificate, as reasonably requested by the Agent.

Section 4.3 Deemed Representation and Warranty.

The giving of the Notice of Advance by the Borrower and the acceptance by the Borrower of the Advance shall be deemed to constitute a representation and warranty by the Borrower that, on the date of the Notice of Advance or Advance, as the case may be, and after giving effect to it and to the application of any proceeds from it, the statements and conditions set forth in Section 4.1 and Section 4.2 are true and correct and/or have been complied with.

Section 4.4 No Waiver.

The making of an Advance or otherwise giving effect to a Notice of Advance without the fulfilment of one or more conditions set forth in Section 4.1 or Section 4.2 shall not constitute a waiver of any condition and the Agent and the Lenders reserve the right to require fulfilment of any such condition.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties.

Each Credit Party jointly and severally represents and warrants to the Secured Creditors only with respect to each of such Credit Parties and its Assets, acknowledging and confirming, in each case, that the Agent and each Lender is relying on such representations and warranties without independent inquiry in entering into this Agreement and providing the Advances that:

- (a) **Incorporation and Qualification.** Each of the Corporate Credit Parties is a corporation or limited liability company duly incorporated, amalgamated, formed, organized and validly existing under the laws of its jurisdiction of incorporation, amalgamation, formation or organization as set forth in Schedule 5.1(a). Each such Corporate Credit Party is qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it carries on business and in which such qualification, licensing or registration is necessary or where failure to be so qualified would have a Material Adverse Effect;

- (b) **Corporate Power.** Each of the Corporate Credit Parties has all requisite corporate or limited liability company power and authority to own, lease and operate its properties and Assets and to carry on its business as now being conducted by it, enter into and perform its obligations under each of the Credit Documents and the Warrant Agreement, the Director Nomination Agreement, and the Voting Support Agreement to which it is a party and incur the Obligations;
- (c) **Conflict with Other Instruments.** The execution, delivery and performance by each Credit Party of each of the Credit Documents and the Warrant Agreement, the Director Nomination Agreement, and the Voting Support Agreement to which it is a party, in each case, do not conflict with, violate or result in a breach of any of the terms or conditions of (A) its articles of incorporation or organization or by-laws, partnership agreement, limited liability company agreement or other constating or organizational documents, as applicable (where such Credit Party is not the Individual Guarantor), (B) any Applicable Law, or (C) any contractual restriction binding on or affecting such Credit Party or such Credit Party's respective Assets, or result in, require or permit (A) the imposition of any Lien in, on or with respect to any of such Credit Party's Assets (except in favour of the Agent and the Secured Creditors), (B) the acceleration of the maturity of any Debt binding on or affecting any such Credit Party, or (C) any third party to terminate or acquire rights under any Material Agreement;
- (d) **Corporate Action, Governmental Approvals, etc.** The execution, delivery and performance by each Credit Party of each of the Credit Documents and the Warrant Agreement, the Director Nomination Agreement, and the Voting Support Agreement to which it is a party:
 - (i) with respect to each Corporate Credit Party, have been duly authorized by all necessary corporate, partnership, member, manager, trust and other action;
 - (ii) with respect to each Corporate Credit Party, are within its corporate, partnership, limited liability company or trust power and capacity; and
 - (iii) do not require any Authorization of or advance notice to or advance filing with any Governmental Authority except those which have already been made or obtained and which are in full force and effect;
- (e) **Execution and Binding Obligation.** This Agreement and the other Credit Documents have been duly executed and delivered by each Credit Party which is a party thereto and constitute legal, valid and binding obligations of such Credit Party enforceable against such Credit Party in accordance with their respective terms, subject only to any limitation under Applicable Law relating to bankruptcy, insolvency, arrangement or creditors' rights generally, and the discretion that a court may exercise in the granting of equitable remedies;
- (f) **Authorizations, etc.** Each of the Corporate Credit Parties possesses all Authorizations necessary to properly conduct its business (including the Business) and to own its Assets, except to the extent failure to have any such Authorization would not reasonably be expected to have a Material Adverse Effect, and all such Authorizations are in good standing and in full force and effect; and each Corporate Credit Party is in compliance with

all terms and conditions of all such Authorizations, except to the extent failure to comply would not reasonably be expected to have a Material Adverse Effect;

- (g) **Intellectual Property.** Each of the Corporate Credit Parties owns or licenses such Intellectual Property, if any, necessary for the conduct of its business (including, in the case of the Borrower, the Business). Except for Intellectual Property owned by Persons other than the Corporate Credit Parties and used in the Business under valid licenses, each of the Corporate Credit Parties owns all right, title and interest in any such required Intellectual Property free and clear of any Liens other than Permitted Liens, and has taken all reasonable steps to protect its rights in and to its material owned Intellectual Property, in each case, in accordance with industry practice. To the knowledge of each Corporate Credit Party, except as set out in Schedule 5.1(g), the use of any Intellectual Property in its business (including, in the case of the Borrower, the Business) does not infringe the Intellectual Property rights of any other Person, and such Corporate Credit Party has not received any written communications alleging that any Corporate Credit Party (or any of its employees or consultants) has violated or infringed any Intellectual Property right of any Person;
- (h) **Business Operations.** The business operations of each of the Corporate Credit Parties have been and will continue to be conducted in compliance, in all material respects, with Applicable Law in all jurisdictions in which such business operations have been or are carried on;
- (i) **Ownership and Use of Property.** (i) Except for Permitted Liens, each of the Corporate Credit Parties has good and marketable title in fee simple to the Owned Properties owned by it, as applicable, and (ii) each of the Corporate Credit Parties has good title to all the tangible and intangible personal property reflected as assets in its books and records in each case free and clear of any Liens, other than Permitted Liens. No Assets of any Corporate Credit Party are held by such Corporate Credit Party in trust for any other Person or as nominee for and on behalf of any other Person. Each Corporate Credit Party owns, leases or has the lawful right to use all of the assets necessary for the conduct of its business. Each of the Subject Properties including the Building and Fixtures thereon, and their use, operation and maintenance for the purpose of carrying on the Business is in compliance with any applicable restrictive covenant and Applicable Law except where the failure to be in compliance, individually or in the aggregate, could not reasonably be expected to have Material Adverse Effect;
- (j) **Ownership of Subject Properties.** None of the Corporate Credit Parties owns any real property other than the applicable Owned Properties of which it is the owner, is bound by any agreement to own or lease any real property other than the applicable Leased Property leased by it, or has leased any of its Owned Properties;
- (k) **Leases.** Each Corporate Credit Party enjoys peaceful and undisturbed possession under all Leases material to its business to which it is a party and under which it is operating, and all of such Leases are valid and subsisting and no material default by the applicable Corporate Credit Party exists under any of them;
- (l) **Leased Properties.** Each Lease of any of the Leased Properties to which a Corporate Credit Party is a party is in good standing, creates a good and valid leasehold estate in the Leased Properties thereby demised, and is in full force and effect without amendment,

except as otherwise disclosed in writing by the Borrower to the Agent. With respect to each such Lease, except as otherwise disclosed by the Borrower to the Agent, all rents and additional rents required to be paid thereunder have been paid; no waiver, indulgence or postponement of the lessee's obligations has been granted by the lessor; there exists no event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default under such Lease; to the best knowledge of the Corporate Credit Party party to such Lease, all of the covenants to be performed by any other party under such Lease have been fully performed; to the best knowledge of the Corporate Credit Party party to such Lease, no part of any of the Leased Properties or the Buildings and Fixtures located on the Leased Properties has been taken or expropriated by any Governmental Authority, no written notice or proceeding in respect of an expropriation has been given or commenced nor is such Corporate Credit Party aware of any intent or proposal to give any such notice or commence any proceedings; to the best knowledge of the Corporate Credit Party party to such Lease, except for Permitted Liens, the Buildings and Fixtures located on each of the Leased Properties are located entirely within such Leased Property and are in conformity with set-back and coverage requirements of all applicable Governmental Authorities and there are otherwise no encroachments from the Leased Properties onto the property of any other Person, and there are no encroachments from the property of any other Person upon any of the Leased Properties; and the applicable Corporate Credit Party has adequate rights of ingress and egress into and from any Leased Properties;

- (m) **Condition of Assets.** All of the Buildings and Fixtures on the Owned Properties are operated in all material respects in accordance with Applicable Law (including, Environmental Laws) and the Corporate Credit Party which owns any of such Owned Properties has adequate rights of ingress and egress into and from each such Owned Property for the operation of its business or the Business, as applicable, in the ordinary course. The Buildings and Fixtures on the Owned Properties, vehicles, Equipment, technology and communications hardware and other tangible personal property (including the Buildings and Fixtures) of each of the Corporate Credit Parties which are the owners or lessees thereof are reasonably structurally sound, in reasonably good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put, reasonable wear and tear excepted;
- (n) **Work Orders.** There are no outstanding work orders relating to the Owned Properties from or required by any Governmental Authority of which the Corporate Credit Party which is the owner thereof has knowledge, nor does any such Corporate Credit Party have notice of any possible impending or future work order;
- (o) **Expropriation.** No part of any of the Owned Properties or the Buildings and Fixtures located on the Owned Properties has been taken or expropriated by any Governmental Authority, no written notice or proceeding in respect of an expropriation has been given or commenced nor is any Corporate Credit Party which is the owner thereof aware of any intent or proposal to give any such notice or commence any proceedings;
- (p) **Encroachments.** Except for Permitted Liens, the Buildings and Fixtures located on each of the Owned Properties are located entirely within such Owned Property and are in conformity with set-back and coverage requirements of all applicable Governmental Authorities and there are otherwise no encroachments from the Owned Properties onto the

property of any other Person, and there are no encroachments upon any of the Owned Properties from adjoining properties;

- (q) **Compliance with Applicable Law.** Each of the Credit Parties is in material compliance with all Applicable Law and the Borrower is in compliance with all applicable Securities Laws;
- (r) **Withholding and Remittance of Source Deductions.** Each of the Corporate Credit Parties has withheld from its employees, customers, non-resident persons and other applicable payees (and timely paid or remitted to the applicable Governmental Authority) the proper and accurate amount of all Taxes, priority claims and other amounts required to be withheld or collected and remitted in compliance with all Applicable Law;
- (s) **Environmental Matters.** To the knowledge of each of the Corporate Credit Parties which is an owner of an Owned Property, none of the Owned Properties has ever (x) been used by any Person as a waste disposal site or a landfill, or (y) had any asbestos, asbestos-containing materials, PCBs, radioactive substances or aboveground or underground storage systems, active or abandoned, located on, in, at or under it at the date of this Agreement; and there are no Contaminants of a material nature located in, on, at, under or about any of the Owned Properties; and no properties adjacent to any of the Owned Properties are contaminated. None of the Corporate Credit Parties has transported, removed or disposed of any waste to a location outside of Mexico as at the date of this Agreement. The Corporate Credit Parties have provided to Agent complete and correct copies of all environmental site assessment reports, investigations, studies, analyses, and correspondence on environmental matters (including matters relating to any alleged non-compliance with or liability under Environmental Laws) that are in any of the Corporate Credit Parties' possession or control and relating to the Owned Properties or operations thereon;
- (t) **Environmental Laws.** Except as otherwise disclosed in Schedule 5.1(t):
 - (i) each Corporate Credit Party which is the owner of an Owned Property has complied in all material respects with all Environmental Laws in respect of its use of or operations on such Owned Property and neither such Corporate Credit Party nor any of the Owned Properties is subject to any material enforcement order from or material liability agreement with any Governmental Authority or other Person respecting compliance with any Environmental Law or any liability, costs or remedial action, or potential liability, cost or remedial action, arising from the release or threatened release of a Contaminant;
 - (ii) each Corporate Credit Party which is the owner of an Owned Property has obtained all permits necessary for its current operations on the applicable Owned Property under Environmental Laws, and all such permits are in effect and such Corporate Credit Party is in material compliance with all material terms and conditions of such permits;
 - (iii) none of the Corporate Credit Parties, nor, to the Corporate Credit Parties' knowledge, any of their predecessors in interest, have in material violation of Applicable Law stored, treated or disposed of any hazardous waste on the Owned Properties;

- (iv) none of the Corporate Credit Parties has received any material summons, complaint, order or similar written notice indicating that it is not currently in compliance with, or that any Governmental Authority is investigating its compliance with, any Environmental Laws or that it is or may be liable to any other Person as a result of a release or threatened release of a Contaminant in respect of an Owned Property;
- (v) none of the present or past operations of any of the Corporate Credit Parties is the subject of any investigation by any Governmental Authority evaluating whether any remedial action is needed to respond to a release or threatened release of a Contaminant in respect of an Owned Property;
- (vi) none of the Corporate Credit Parties has entered into any negotiations or settlement agreements with any Person (including the prior owner of any property which such Corporate Credit Party owns) which would impose material obligations or liabilities on such Corporate Credit Party with respect to any remedial action in response to the release by such Corporate Credit Party of a Contaminant or environmentally related claim in respect of an Owned Property;
- (vii) no environmental-related Lien has attached to the Owned Properties;
- (viii) the Owned Properties of such Corporate Credit Party and the other Collateral (other than the Leased Properties) are free:
 - (A) from contamination by, or threat of, a release, discharge or emission of any Contaminant by such Corporate Credit Party, except as regards contamination which would arise in the normal course of operating the business of supply or storage of petroleum products or the operation of a gas station consistent with Applicable Law,
 - (B) of underground storage tanks containing any Contaminant, asbestos-containing materials, PCBs, landfills, land disposals, and dumps, except as would occur in the normal course of operating the business of supply or storage of petroleum products or the operation of a gas station consistent with Applicable Law, and
 - (C) from any environmental claims made in writing by any Person to such Corporate Credit Party or otherwise affecting the Owned Properties or such Collateral;
- (ix) no written notice under any Applicable Law, including any Environmental Law, has been provided to any Corporate Credit Party in respect of any of the Owned Properties while such Corporate Credit Party has been the owner thereof indicating past or present treatment, storage or disposal of a Contaminant or reporting an actual or threatened spill or release of a Contaminant into the environment;
- (x) the Corporate Credit Parties do not generate, transport, treat or dispose of any Contaminants on, to or from the Owned Properties except in compliance in all material respects with Applicable Law;

- (xi) no Contaminant has been disposed of by any of the Corporate Credit Parties placing it in or on the ground of any of the Owned Properties while a Corporate Credit Party has been the owner thereof;
- (u) **Pension Plans.** None of the Corporate Credit Parties has any Pension Plan or US Pension Plan;
- (v) **Equipment.** All Equipment is and will be used or held for use in the Business, and is and will be fit for such purposes. Each Corporate Credit Party shall keep and maintain its Equipment in good operating condition and repair in accordance with the age, use and character thereof (ordinary wear and tear excepted) and shall make all necessary replacements thereof; Subject to the terms of Section 8.5, the Corporate Credit Parties shall not sell, lease as a lessor, or otherwise dispose of any of their Equipment without the prior written consent of the Agent; provided, however, that the Corporate Credit Parties may dispose of their Equipment which is obsolete or no longer useable or used in a Corporate Credit Party's business having a net book value no greater than **[REDACTED]** individually, and **[REDACTED]** in the aggregate in any Financial Year (calculated for all Corporate Credit Parties combined), without the Agent's consent, subject to the conditions set forth below. In the event any of the Equipment is sold, transferred or otherwise disposed of with the Agent's prior written consent or as otherwise permitted hereby and: (a) such sale, transfer or disposition by a Corporate Credit Party is effected without replacement of such Equipment, or such Equipment is replaced by Equipment leased by such Corporate Credit Party, then such Corporate Credit Party shall deliver all of the cash proceeds of any such sale, transfer or disposition to the Agent for application to the Obligations in accordance with the terms hereof; or (b) such sale, transfer or disposition is made in connection with the purchase by a Corporate Credit Party of replacement Equipment, then such Corporate Credit Party shall use the proceeds of such sale, transfer or disposition to finance the purchase by such Corporate Credit Party of replacement Equipment or other property and shall deliver to the Agent written evidence of the use of the proceeds for such purpose together with evidence that the Agent continues to have a Lien thereon (subject only to Permitted Liens);
- (w) **Material Agreements, etc.** All Material Agreements and the Warrant Agreement, the Director Nomination Agreement, and the Voting Support Agreement to which each Corporate Credit Party is a party are in full force and effect, unamended, provided that the Warrant Agreement, the Director Nomination Agreement, and the Voting Support Agreement may be amended in accordance with their terms. Each of the Corporate Credit Parties is in compliance with all Material Agreements and the Warrant Agreement, the Director Nomination Agreement, and the Voting Support Agreement to which it is a party, and none of such Corporate Credit Parties or, to the Corporate Credit Parties' knowledge, any other party to any Material Agreement or the Warrant Agreement, the Director Nomination Agreement, and the Voting Support Agreement (other than the Secured Creditors) has defaulted under any of such Material Agreements. To the knowledge of each of the Corporate Credit Parties, no event has occurred which, with the giving of notice, lapse of time or both, would constitute a default under, or in respect of, any Material Agreement, the Warrant Agreement, the Director Nomination Agreement, or the Voting Support Agreement to which the Corporate Credit Party is a party and there is no material dispute regarding any Material Agreement or the Warrant Agreement, the Director Nomination Agreement, and the Voting Support Agreement to which it is a party. None of the Credit Parties is a party to any other agreement or instrument or subject to any restriction (including in respect of any Corporate Credit Parties, any restriction set forth in

its constating documents, by-laws or any shareholders' agreement applicable to it) which has or, to its knowledge, in the future may have a Material Adverse Effect;

- (x) **Labour Matters.** Except as disclosed in Schedule 5.1(x)Schedule 5.1(t), none of the Corporate Credit Parties is a party to any collective bargaining agreement and to the knowledge of any Corporate Credit Party, after due inquiry, no union organizing activity is taking place with respect to any of the employees of any Corporate Credit Party. Each Corporate Credit Party has a stable work force in place and no Corporate Credit Party knows of any pending, threatened, or contemplated strikes, work stoppage or other labour disputes involving any Corporate Credit Party's employees which could reasonably be expected to give rise to a Material Adverse Effect. No Corporate Credit Party has engaged in any unfair labour practice, or is aware of any pending or threatened complaint regarding any alleged unfair labour practices, except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.
- (y) **Investment Banking and Finder's Fees.** None of the Credit Parties nor any of their Subsidiaries, as applicable, has agreed to pay any investment banking or similar or related fee, underwriter's fee, finder's fee, or broker's fee to any Person in connection with this Agreement and the other Credit Documents, except to the Secured Creditors. Each of the Credit Parties shall defend and indemnify the Secured Creditors against, and hold them harmless from, all claims of any Person against them for any such fees, and all costs and expenses (including, without limitation, legal fees) incurred by any of the Secured Creditors in connection therewith pursuant to the terms of Section 10.6;
- (z) **Books and Records.** All books and records of each of the Corporate Credit Parties have been fully, properly and accurately kept and completed in accordance with IFRS, where applicable, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein. The books and records and other data and information of the Corporate Credit Parties are available to such Corporate Credit Party in the ordinary course of its business;
- (aa) **Tax Liability.** Except as disclosed in Schedule 5.1(aa), each of the Credit Parties has filed all tax and information returns which are required to be filed under Applicable Law; each of the Credit Parties has paid all Taxes which have become due whether or not shown on such returns other than those, in respect of which liability based on such returns is being contested in good faith and by appropriate proceedings where adequate reserves have been established in accordance with IFRS and all Taxes that any Governmental Authority is currently entitled to collect in respect of such contest, if any, have been paid; adequate provision for payment has been made for Taxes not yet due; and there are no disputes with respect to Taxes existing or, to any Credit Party's knowledge, pending, involving any such Credit Party or the Business which could reasonably be expected to have a Material Adverse Effect;
- (bb) **Corporate Structure.** At the date of this Agreement, the corporate structure of the Credit Parties and their Subsidiaries is as set out in Schedule 5.1(bb) and:
 - (i) Schedule 5.1(kk)(v) on the Closing Date, the Credit Parties have no Subsidiaries (and does not own or hold any shares in the capital of, or any other Equity Securities in, any other Person) and the authorized and issued capital of the Credit Parties is as described on Schedule 5.1(bb);

- (ii) (A) there are no Subsidiaries of the Corporate Credit Parties, other than the Subsidiaries set forth in Schedule 5.1(bb), (B) the authorized and issued capital of each Corporate Credit Party is as described on Schedule 5.1(kk)(v); and (C) no Corporate Credit Party owns or holds any shares in the capital of, or any other Equity Securities in, any other Person; and
 - (iii) each Corporate Credit Party is the legal and beneficial owner of, directly or indirectly, of all issued and outstanding Equity Securities in the capital of each of its Subsidiaries, other than Canmex Dollarstores, S.A. de C.V., and PesoRama Holdings Inc. and the Individual Guarantor, together, are the direct legal and beneficial owners of all issued and outstanding Equity Securities in the capital of Canmex Dollarstores, S.A. de C.V.;
- (cc) **Shareholders' Agreements.** None of the Corporate Credit Parties is a party to any unanimous shareholder's or other agreement relating to shares owned by such shareholder, except as disclosed in Schedule 5.1(cc);
- (dd) **Financial Statements.** The financial statements of each Corporate Credit Party for the financial year or Financial Year (as applicable) and the Financial Quarter, as applicable, most recently ended have been prepared in accordance with IFRS consistently applied, the Borrower's financial statements, as of their date of filing, comply with Securities Laws applicable to the Borrower, and each presents fairly:
 - (i) the assets, liabilities, (whether accrued, absolute, contingent or otherwise) and financial position of such Corporate Credit Party as at the respective dates of the relevant statements; and
 - (ii) the sales and earnings of such Corporate Credit Party during the periods covered by such statements,and since the last day of the most recently completed financial year or Financial Year (as applicable) or the most recently completed Financial Quarter, as applicable, there has been no material adverse change in the financial condition, operations, business, management, prospects or assets of the Borrower on a consolidated basis from that set forth in such financial statements as at such date and the Borrower's auditor is "independent" as required under Securities Laws;
- (ee) **Financial Year.** The Financial Year of each Corporate Credit Party ends on January 31 of each calendar year;
- (ff) **Debt.** None of the Corporate Credit Parties has any Debt except as permitted by Section 6.2(a). There exists no default under the provisions of any instrument evidencing such Debt, or any agreement relating thereto;
- (gg) **Solvency.** Each Credit Party is Solvent. After giving effect to the transactions contemplated by this Agreement, the aggregate assets (after giving effect to amounts that could reasonably be received by reason of indemnity, offset, insurance or any similar arrangement), at a fair valuation, of the Corporate Credit Parties, taken as a whole, will exceed the aggregate Debt of the Corporate Credit Parties on a consolidated basis, as the Debt becomes absolute and matures, the Corporate Credit Parties, taken as a whole, will

not have incurred or intended to incur, and will not believe that it will incur, Debt beyond its ability to pay such Debt (after taking into account the timing and amounts of cash to be received by each of the Corporate Credit Parties and the amounts to be payable on or in respect of its liabilities, and giving effect to amounts that could reasonably be received by reason of indemnity, offset, insurance or any similar arrangement) as such Debt becomes absolute and matures and the Corporate Credit Parties, taken as a whole, will not have (and will have no reason to believe that it will have thereafter) unreasonably small capital for the conduct of their business;

- (hh) **Security.** Each of the Security Documents to which a Credit Party is a party is effective to create in favour of the Agent for the benefit of the Secured Creditors, legal, valid and perfected first priority Liens in the Assets of such Credit Party subject to such Liens under such Security Documents (subject only to Permitted Liens which rank by law in priority), enforceable in accordance with its terms against third parties and any trustee in bankruptcy in the Assets of such Credit Party, except to the extent a secured creditor's rights are affected or limited by applicable bankruptcy, insolvency, moratorium, organization and other Applicable Law of general application limiting the enforcement of secured creditors' rights generally;
- (ii) **Restrictions on Liens.** No Credit Party is a party to any Material Agreement or arrangement (other than (i) Permitted Liens, (ii) customary anti-assignment provisions contained in leases, licenses and other agreements entered into in the ordinary course of business, (iii) customary provisions contained in any agreement that has been entered into in connection with a disposition of Assets permitted under Section 6.2(h), and (iv) customary provisions in joint venture and similar agreements that restrict the transfer of assets of, or Equity Securities in, joint ventures), or subject to any order, judgment, writ or decree, which either restricts or purports to restrict its ability to grant Liens to the Agent and the Lenders on or in respect of the Collateral to secure the Obligations;
- (jj) **No Litigation.** There is no action, suit, arbitration or proceeding pending, taken or to the knowledge of the Credit Parties, threatened, before or by any Governmental Authority or arbitrator or by or against any elected or appointed public official or private person in Canada, Mexico, the United States or elsewhere, which challenges, or to the knowledge of the Credit Parties, has been proposed which could reasonably be expected to challenge, the validity or propriety of the transactions contemplated under the Credit Documents or the documents, instruments and agreements executed or delivered in connection therewith or related thereto, relates to any of the Collateral, or could reasonably be expected to have a Material Adverse Effect;
- (kk) **Schedule Disclosure.**
 - (i) Schedule 5.1(kk)(i) is a list of all addresses at which each of the Corporate Credit Parties have their respective chief executive office or head office, registered office and principal place of business, carry on business, store any tangible personal property (except for goods in transit in the ordinary course of business), together with a list of all jurisdictions in which each of the Corporate Credit Parties has any obligors or customers;
 - (ii) Schedule 5.1(kk)(ii) is a list of all Intellectual Property which is material to any of the Corporate Credit Parties;

- (iii) Schedule 5.1(kk)(iii) is a list of all actions, suits, arbitrations or proceedings pending, taken or to the knowledge of the Credit Parties, threatened, before or by any Governmental Authority or other Person affecting the Credit Parties or their Assets;
 - (iv) Schedule 5.1(kk)(iv) contains a list of all Material Agreements;
 - (v) Schedule 5.1(kk)(v) is a true and complete list of all Bank Accounts and securities accounts of the Corporate Credit Parties; and
 - (vi) Schedule 5.1(kk)(vi) is a list describing all arrangements as of the Closing Date to which any Corporate Credit Party is a party with respect to the processing and/or payment to such Corporate Credit Party of the proceeds of any credit card charges and debit card charges for sales made by such Corporate Credit Party;
- (ll) **No Default or Event of Default.** No Default or Event of Default has occurred which has not been either remedied to the satisfaction of the applicable Secured Creditors or expressly waived by the applicable Secured Creditors in writing in accordance herewith, or would result from the consummation by such Credit Party of the transactions contemplated by the Credit Documents. None of the Corporate Credit Parties is in violation of its constating documents, its by-laws or any shareholders' agreement applicable to it; or in default under or with respect to any contractual obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;
- (mm) **No Breach of Orders, etc.** No Credit Party is in breach of:
- (i) any Authorization or mandatory requirement or directive of any Governmental Authority;
 - (ii) any governmental licence or permit; or
 - (iii) any Applicable Law,
- the breach of which could reasonably be expected to have a Material Adverse Effect;
- (nn) **Anti-Terrorism, Anti-Corruption Laws.** None of the Credit Parties and, to the knowledge of the Credit Parties, none of its other Related Parties is in violation of any applicable Anti-Terrorism Law or Sanction, deals in, or otherwise engages in any transaction related to, any property or interests in property blocked pursuant to any Anti-Terrorism Law or Sanction, or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law or Sanction. None of the proceeds of the Revolving Facility will be used by, on behalf of, or for the benefit of, any Person other than any Corporate Credit Party or will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, official of any public international organization, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the *Corruption of Foreign Public Officials Act* (Canada), any similar United States legislation and any similar laws, rules or regulations issued, administered or enforced by any Governmental Authority having jurisdiction over

any of the Credit Parties. Each Credit Party and each Subsidiary thereof (as applicable) has taken measures appropriate to the circumstances (in any event as required by Applicable Law) to provide reasonable assurance that such Credit Party is and will continue to be in material compliance with applicable anti-corruption and bribery laws, rules and regulations;

- (oo) **Warrants/Issuance of Securities.** The issuance of the Warrants has been duly authorized by the Borrower and, any shares issuable upon exercise of the Warrants will be duly and validly created and authorized, and upon payment to the Borrower of the exercise price therefor and otherwise upon due exercise of the Warrants in accordance with the terms and conditions of the Warrant Agreement will be issued as fully paid and non-assessable shares to the Secured Creditors or any Investor in compliance with Applicable Laws (including Securities Laws), and such Secured Creditor or any such Investor, as the case may be, will be the legal owner of, upon issuance, such shares, all of which will be free and clear of all pre-emptive rights, Liens, charges, security interests, adverse claims, pledges and demands whatsoever, other than resale restrictions imposed under Applicable Laws (including Securities Laws);
- (pp) **Disclosure.** All forecasts and projections supplied by or on behalf of any of the Credit Parties to the Agent and the Lenders were prepared in good faith, adequately disclosed all relevant assumptions and are reasonable, and other written information supplied to the Agent and the Lenders by or on behalf of any of the Credit Parties is true and accurate in all material respects and does not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements contained in such written information not misleading in light of the circumstances under which such statements were made. No event has occurred which could reasonably be expected to have a Material Adverse Effect since the date of the last financial statements of any of the Credit Parties delivered to the Agent pursuant to Section 6.1(a);
- (qq) **Holding Company.** As of the Closing Date, PesoRama Stores Services does not own any assets, maintain cash balances with any bank or other financial institution, or have any obligations, liabilities or Debt;
- (rr) **Securities Law Compliance.**
 - (i) The Borrower is a "reporting issuer" (or the equivalent) in each of the provinces and territories in Canada and is not included on a list of defaulting reporting issuers maintained by the Securities Regulators. The Borrower has not taken any action to cease to be a reporting issuer in any jurisdiction in which it is a reporting issuer, and has not received any notification from a Securities Regulator seeking to revoke the Borrower's reporting issuer status;
 - (ii) All material filings and fees required to be made and paid by the Borrower pursuant to Securities Laws have been made and paid when due; and
 - (iii) As of their respective filing dates, each of the Public Disclosure Documents complied with the requirements of applicable Securities Laws in all material respects and none of the Public Disclosure Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the

circumstances in which they were made, not misleading. There is no material change as of the date hereof relating to the Borrower which has occurred and with respect to which the requisite material change report has not been filed with the Securities Regulators and made publicly available on SEDAR. The Borrower has not filed any confidential material change report or other confidential report with any Securities Regulator or other Governmental Authority which at the date hereof remains confidential; and

- (ss) **Landlord Liens.** None of the Leased Properties located in Mexico are subject to any Liens in favour of any owner, landlord, or lessor of a Leased Property.
- (tt) **Number of Borrower Common Shares.** As of June 5, 2023, there are 150,608,399 common shares outstanding of the Borrower on a Fully Diluted Basis.

Section 5.2 Survival of Representations and Warranties.

- (1) The representations and warranties in this Agreement and in any certificates or documents delivered to the Agent and the Lenders shall not merge in or be prejudiced by and shall survive any Advance and shall continue in full force and effect so long as any amounts are owing by any Credit Party to the Lenders under this Agreement or any other Credit Document, it being understood that to the extent such representations and warranties relate solely to a specified earlier date they only need to be true and correct as of such date.
- (2) The representations and warranties in Section 5.1 will be deemed to be repeated by the Borrower on the date of delivery of any Notice of Advance by the Borrower and the date of delivery of each Compliance Certificate, except to the extent that on or prior to such date the Borrower has advised the Agent in writing of a variation in any such representation or warranty, and the Agent has approved such variation. Notwithstanding the foregoing, it is understood that to the extent such representations and warranties relate solely to a specified earlier date they only need to be true and correct as of such date.

ARTICLE 6 COVENANTS

Section 6.1 Affirmative Covenants

So long as any amount owing under this Agreement or any other Credit Document remains unpaid or any Secured Creditor has any obligation under this Agreement, and unless consent is given in accordance with Section 10.1:

- (a) **Financial Reporting.** The Borrower shall deliver to the Agent (with sufficient copies for each of the Lenders), in each case, in form and substance satisfactory to the Agent:
 - (i) as soon as available and in any event no later than 30 days prior to the commencement of each Financial Year, the Annual Business Plan for such Financial Year together with the detailed budget and financial projections (set out on a monthly basis) for the Financial Year providing supplementary detailed schedules and information supplementary to and consistent with the Annual Business Plan, calculations demonstrating projected compliance with the financial covenants set forth in Section 6.3, and a report containing management's

discussion and analysis of such budget and Annual Business Plan with a reasonable disclosure of the key assumptions and drivers with respect thereto;

- (ii) commencing 180 days following the Closing Date (the “**Enhanced Reporting Date**”), as soon as available and in any event within 30 days after the end of each calendar month, a consolidated balance sheet of the Borrower as of the end of such calendar month, the related consolidated statement of income for such calendar month and for the portion of the Financial Year ended at the end of such calendar month and the related consolidated statement of cash flows for the portion of such Financial Year ended at the end of such calendar month setting forth, in each case, a comparative form of the figures for the corresponding calendar month, the corresponding portion of such party's previous Financial Year and corresponding budget from the applicable Annual Business Plan, together with a summary of variances from the applicable projections, and, until the Enhanced Reporting Date, as soon as possible and in any event within five days after the end of each week, weekly sales dashboard reports (in the form of Exhibit 6) and, as soon as available and in any event within 10 days after the end of each calendar month, consolidated monthly profit and loss statements for Canmex Dollarstores, S.A. de C.V., JOI Canadian Stores, S.A. de C.V., PesoRama Consulting Services, S.A. de C.V.;
- (iii) as soon as practicable and in any event within (A) 120 days after the end of the Financial Quarter ending January 31, 2023 and otherwise (B) 60 days after the end of each of the first three Financial Quarters in each Financial Year (commencing as of the Financial Quarter ending April 30, 2023 (x) an internally prepared consolidated balance sheet of the Borrower as of the end of such Financial Quarter (together with management commentary on operations and reconciliations to financial projections), (y) internally prepared consolidated balance sheets of each Corporate Credit Party and (z) the related internally prepared consolidated and unconsolidated statements of earnings and changes in financial position for such Financial Quarter and for the period commencing at the end of the previous Financial Year and ending with the end of such Financial Quarter; in each case, prepared in accordance with IFRS and (except for the statement of changes in financial position) setting forth in comparative form the figures for the corresponding Financial Quarter, corresponding portion of the previous Financial Year and corresponding budget from the Annual Business Plan, if applicable, together with a summary of variances from the applicable projections and a report containing management's discussion and analysis of such results;
- (iv) as soon as practicable and in any event within 120 days after the end of each Financial Year, a copy of the annual audited consolidated financial statements of the Borrower for such Financial Year, together with the independent auditor's management letter and a report containing management's discussion and analysis of such results and a copy of the annual internally prepared non-consolidated financial statements of the Borrower for such Financial Year;
- (v) copies of any pertinent communications, reports, letters, notices, correspondence or writings received from or sent to its independent auditors, whether in connection with an ongoing audit or otherwise;

- (vi) as soon as available and in any event within 30 days after the end of each calendar month (and after the Enhanced Reporting Date, concurrently with the delivery of a consolidated balance sheet and other reporting in accordance with Section 6.1(a)(ii) hereof), a Compliance Certificate substantially in the form of Exhibit 2, signed by a Key Officer of the Borrower, which shall include (A) a schedule or a report updating Schedule 5.1(j) as of the date of such Compliance Certificate with respect to the Corporate Credit Parties and (B) a schedule or a report updating Schedule 5.1(kk)(i) as of the date of such Compliance Certificate;
 - (vii) monthly on or before the twentieth day of each month (or, if such day is not a Business Day, then on the immediately following Business Day) for the prior month, a Borrowing Base Certificate substantially in the form of Exhibit 4, signed by a Key Officer, together with all related information in respect of the matters set forth in the Borrowing Base Certificate as reasonably requested by the Agent;
 - (viii) **[REDACTED]**, weekly on each Wednesday of each week (or, if such day is not a Business Day, then on the immediately following Business Day) for the prior week, a weekly cash reconciliation showing all Cash and Cash Equivalents and all Credit Card Receivables of the Corporate Credit Parties; and
 - (ix) **[REDACTED]**, weekly on each Wednesday of each week (or, if such day is not a Business Day, then on the immediately following Business Day) for the prior week, a weekly cash reconciliation showing all cash, including, without limitation, all Cash and Cash Equivalents, cash deposits, physical cash, in store cash receipts (excluding cash in register or in till) and in-transit cash, and all Credit Card Receivables of the Corporate Credit Parties;
- (b) **Additional Reporting Requirements.** Each Corporate Credit Party shall deliver to the Agent (with sufficient copies for each of the Lenders):
- (i) as soon as practicable, and in any event within three days after the occurrence of each Default or Event of Default, a statement signed by a Key Officer acceptable to the Agent setting forth the details of the Default or Event of Default and the action which the Borrower or such other Credit Party proposes to take or has taken;
 - (ii) (A) from time to time upon request of the Agent, and in any event at least once annually, evidence of the maintenance of all insurance required to be maintained pursuant to this Agreement, including originals or copies as the Agent may request of policies, certificates of insurance, riders, endorsements and proof of premium payments, and; (B) from time to time upon request of the Agent, the good standing of all Authorizations material to any such Corporate Credit Party;
 - (iii) from time to time upon request of the Agent, copies of all notices, reports and other documents sent to shareholders, directors and managers of such Corporate Credit Parties;
 - (iv) promptly upon becoming aware thereof, a notice of (A) the threat of, or commencement of, any strike or lockout; (B) any work stoppage or other labour dispute in respect of the operations of such Corporate Credit Party; (C) any breach or non-performance of, or any default of such Corporate Credit Party under any

material provision of any Material Agreement or the Warrant Agreement, the Director Nomination Agreement, and the Voting Support Agreement of such Corporate Credit Party; (D) any dispute, litigation, investigation, proceeding or suspension between such Credit Party and any Governmental Authority; (E) the threat of, commencement of, or any material adverse development in, any action, suit, arbitration, investigation or other proceeding affecting such Credit Party; (F) any claim, action, suit, litigation, arbitration or investigation which is threatened or pending against any Credit Party or any Person in respect of any matter to the extent that the same has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

- (v) with respect to the Corporate Credit Parties, promptly after the furnishing thereof, copies of any financial statement, material report or material notice furnished to or by any Person pursuant to the terms of any preferred stock designation, indenture, loan or credit or other similar agreement, other than this Agreement and not otherwise required to be furnished to the Secured Creditors hereunder;
- (vi) such other material information respecting the condition or operations, financial or otherwise, of the Business or such Corporate Credit Party as the Agent, on behalf of the Lenders, may from time to time reasonably request, including:
 - (A) a summary accounts receivable aging showing Accounts outstanding, aged from invoice date as follows: 1 to 30 days past due, 31 to 60 days past due, 61 to 90 days past due, 90 days or more past due, accompanied by such supporting detail and documentation as shall be requested by the Agent in its reasonable discretion, including the ledger for disputed/legal accounts;
 - (B) notices of all delinquencies, holdbacks, disputes, claims, charge-offs and recoveries in connection with Accounts;
 - (C) a Corporate Credit Party prepared reconciliation of the cash receipts journal to the Blocked Accounts;
 - (D) a listing of accounts payable specifying trade creditors and the balance due, as well as a detailed list of accounts payable aging;
 - (E) a reconciliation of Inventory, in store cash receipts, in-transit cash, and Credit Card Receivables of the Corporate Credit Parties to the Borrowing Base Certificate and to the Corporate Credit Parties' general ledger and month end financial statements;
 - (F) a calculation of Inventory which would not meet the criteria of Eligible Inventory;
 - (G) a calculation of In-Transit Inventory which would not meet the criteria of Eligible In-Transit Inventory;
 - (H) a calculation of in store cash receipts which would not meet the criteria of Eligible In Store Cash Receipts;

- (I) a calculation of in transit cash which would not meet the criteria of Eligible In Transit Cash;
 - (J) a calculation of Credit Card Receivables which would not meet the criteria of Eligible Credit Card Receivables;
 - (K) a statement of reconciliation of the Inventory stock ledger to the general ledger;
 - (L) a statement of reconciliation of the cash ledger to the general ledger;
 - (M) a statement of reconciliation of the accounts receivables ledger to the general ledger;
 - (N) an inventory certificate (summary by location and department);
 - (O) a statement of Eligible Store activity (including details of opening, closing or relocation) as well as comparable Eligible Store sales summaries and same store sales growth, product margins, product mix, inventory days on hand and buying/merchandising plans; and
 - (P) Acceptable Documents of Title;
- (vii) promptly upon becoming aware thereof, notice of any information it receives or has knowledge of in respect of matters that might materially adversely affect the value, enforceability or collectability of the Collateral or the rights and remedies of the Secured Creditors with respect thereto;
- (c) **Payments.** The Borrower shall duly and punctually pay or cause to be paid to the Agent and the Lenders all principal, interest, fees and other amounts payable hereunder and under the Credit Documents on the dates, at the places, and in the amounts and manner set forth in such documents;
- (d) **Corporate Existence.** Except as otherwise permitted in this Agreement, each Corporate Credit Party shall preserve and maintain its corporate existence;
- (e) **Permitted Uses.** The Borrower shall use the proceeds of the Advances hereunder only for the purposes permitted pursuant to Section 2.3;
- (f) **Compliance with Applicable Law, etc.** Each of the Credit Parties shall comply in all material respects with the requirements of all Applicable Law (including Securities Laws). Each of the Corporate Credit Parties shall obtain and maintain all Authorizations necessary to the ownership of its property and to the conduct of its business in each jurisdiction where it carries on material business or owns material property, including those issued or granted by Governmental Authorities, except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect;
- (g) **Environmental Investigations.** Each of the Corporate Credit Parties shall, promptly, if the Agent has a good faith concern that a discharge of a Contaminant has occurred or a condition exists on any of the Owned Properties that could have a Material Adverse Effect, cause to be conducted such environmental investigations (including, without limitation,

environmental site assessments and environmental compliance reviews) as are reasonably required by the Agent, on the basis of a duly qualified environmental consultant approved by the Agent, and remedy any condition or non-compliance with Environmental Laws revealed by any such investigation. The reasonable costs of such investigations will be for the account of the Borrower, provided that the Agent will carry out such audit in consultation with the Borrower, to expedite its completion in a cost effective manner. Should the result of such audit indicate that any Corporate Credit Party is in breach, or with the passage of time will be in breach, of any Environmental Laws and such breach or potential breach has or could reasonably be expected to have, in the opinion of the Lenders, acting reasonably, a Material Adverse Effect, and without in any way prejudicing or suspending any of the rights and remedies of the Agent and the Lenders under the Credit Documents, the Borrower will forthwith commence and diligently proceed to rectify or cause to be rectified such breach or potential breach, as the case may be, and will keep the Lenders fully advised of the actions it intends to take and has taken to rectify such breach or potential breach and the progress it is making in rectifying same. The Agent will be permitted to retain, for the account of the Borrower (to the extent such account is reasonable), the services of a consultant to monitor the applicable Corporate Credit Party's compliance with this Section 6.1(g);

- (h) **Maintenance of Subject Properties.** Each of the Corporate Credit Parties shall maintain, preserve and protect the Subject Properties, including the Buildings and Fixtures and Equipment necessary in the operation of its business, in good working order and condition, taking into consideration the character, age and use thereof, ordinary wear and tear excepted; make all necessary repairs, renewals, replacements, additions and improvements to the Subject Properties and Equipment, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; use the standard of care typical in the industry of the Corporate Credit Parties; preserve or renew all of its registered patents, trademarks, trade names and service marks (including licenses thereof), except to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Effect; maintain good and valid title to its Assets; and do all things necessary to defend, protect and maintain its Assets and the Security Documents (and the priority thereof) from all material adverse claims where the failure to do so in the opinion of the Lenders, acting reasonably, threatens the intended priority or validity of the Security Documents as herein provided, or would reasonably be expected to have a Material Adverse Effect. Each of the Corporate Credit Parties shall maintain the Equipment in good repair and working order and in a manner consistent with industry practice;
- (i) **Operation of Properties.** Each Corporate Credit Party will operate its respective property, or, if it is not the operator, use reasonable efforts to ensure that such property is operated, in accordance with sound industry practice and in accordance in all respects with Applicable Law;
- (j) **Material Agreements.** Each Corporate Credit Party shall perform and observe, in all material respects, all terms and provisions of, and make all payments accruing under, each Material Agreement and the Warrant Agreement, the Director Nomination Agreement, and the Voting Support Agreement to which it is a party to be performed or observed by such Corporate Credit Party and maintain each such Material Agreement and such Warrant Agreement, Director Nomination Agreement, and Voting Support Agreement in full force and effect in accordance with its terms;

- (k) **Payment of Taxes and Claims.** Each of the Credit Parties (including for avoidance of doubt, the Individual Guarantor), pay or cause to be paid when due, all Taxes imposed upon such Credit Party or upon its income, sales, capital or profit or any other Assets belonging to it before the same becomes delinquent or in default, and all claims which, if unpaid, might by Applicable Law become a Lien upon the Assets of such Credit Party, except any such Tax which is being contested in good faith and by proper proceedings and in respect of which the Credit Party has established adequate reserves in accordance with IFRS or which are Permitted Liens;
- (l) **Payment of Royalties and other Preferred Claims.** Each of the Corporate Credit Parties shall pay or cause to be paid all royalties, overriding royalties, rents, rates, levies or assessments, ordinary or extraordinary, governmental fees or dues, and to make and remit all withholdings, lawfully levied, assessed or imposed upon any Corporate Credit Party or any of the Assets of any Corporate Credit Party, as and when the same become due and payable. Each of the Corporate Credit Parties shall also pay when due all amounts related to wages, workers' compensation obligations, pension fund obligations and any other amount which would or would reasonably be expected to result in a Lien against the Assets of such Corporate Credit Party;
- (m) **Keeping of Books.** Each of the Corporate Credit Parties which is engaged in the Business shall keep proper books of record and account, in which full and correct entries shall be made, in all material respects, in respect of the Business, in accordance with IFRS;
- (n) **Visitation and Inspection.** At the sole expense of the Borrower, each of the Corporate Credit Parties shall permit each Lender and the Agent to, (A) examine, audit and make extracts from and copies of such corporate, financial and operating records, and (B) discuss with its respective directors, partners, Key Officers, officers, suppliers, customers, accountants and independent auditors its respective businesses, assets, liabilities, financial positions, results of operations, and business prospects, at all reasonable times during normal business hours and with reasonable advance notice (in any event, up to four (4) times a year, unless an Event of Default has occurred, in which case no such restriction shall apply);
- (o) **Field Examinations.** At the sole expense of the Borrower, each of the Corporate Credit Parties shall permit each Lender and the Agent and any professional (including, consultants, accountants, and/or appraisers) retained by the Agent, to visit and inspect any of its properties, to conduct field examinations (in any event, up to four (4) times a year, unless an Event of Default has occurred, in which case no such restriction shall apply) and to conduct appraisals;
- (p) **Maintenance of Insurance.** Each of the Corporate Credit Parties shall maintain with financially sound and reputable insurance companies, that are acceptable to the Agent, in its sole discretion, and that are not Affiliates of any Corporate Credit Party, in respect of such Corporate Credit Party, and at all times, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, including but not limited to, commercial property insurance, all risks property damage, commercial general liability, workers' compensation, business interruption and other insurance, of such types and in such amounts that are acceptable to the Agent, in its sole discretion, and as are customarily carried under similar circumstances by such other Persons. The policies, certificates or endorsements of

insurance evidencing such insurance coverage must show the Agent as additional insured on behalf of the Secured Creditors (in the case of liability insurance) and first loss payee under a mortgage clause in a form acceptable to the Agent. The policies for such insurance shall provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least thirty (30) days after receipt by the Agent of written notice thereof;

- (q) **Anti-Terrorism Laws.** Each of the Credit Parties shall promptly provide all information with respect to such Credit Party, its respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Credit Party, including supporting documentation and other evidence, as may be reasonably requested by the Agent or a Lender or any prospective assignee or participant of the Agent or a Lender, in order to comply with any applicable Anti-Terrorism Laws or such other applicable "know your client" laws and requirements, whether now or hereafter existence;
- (r) **Accounting Standards.** Each of the Corporate Credit Parties shall ensure that all financial statements will be reported in accordance with IFRS;
- (s) **Credit Card Notifications.** The Corporate Credit Parties shall deliver to the Agent copies of notifications (each, a "**Credit Card Notification**") substantially in the form attached hereto as Exhibit 5 which have been executed by the applicable Corporate Credit Party and delivered to such Corporate Credit Party's Credit Card Issuers and Credit Card Processors listed on Schedule 5.1(kk)(vi) within 5 Business Days following a request for such notifications by the Agent;
- (t) **New Eligible Stores.** At least 10 days prior to the date a Corporate Credit Party opens a new Eligible Store for business to the public, the Borrower shall deliver written notice thereof to the Agent;
- (u) **Dissolution of PesoRama Stores Services.** As soon as practicable and in any event within 120 days after the Closing Date, the Corporate Credit Parties shall cause PesoRama Stores Services to dissolve in accordance with Applicable Law and shall provide notice thereof to the Agent;
- (v) **Board Observer.** So long as any Obligations remain outstanding, the Agent shall be entitled to appoint one board observer to the Board of Directors (or equivalent governing body) of the Borrower and any committees or sub-committees thereof (including the audit, finance or any other committees or sub-committees). The Borrower shall provide to such board observer (1) notice of any in-person, teleconference or other meeting of the Borrower's Board of Directors (or equivalent governing body) and/or any committees or sub-committees thereof, and (2) copies of all communications between the Borrower and the Borrower's Board of Directors (or equivalent governing body) and/or any committees or sub-committees thereof, in each case concurrently with the delivery thereof to such Board of Directors (or equivalent governing body), committee or sub-committee. The Borrower shall reimburse any board observer for all reasonable out-of-pocket costs and expenses incurred in connection with this Section 6.1(v);
- (w) **Further Assurances.** At the cost and expense of the Borrower, upon request of the Agent, each Credit Party shall execute and deliver or cause to be executed and delivered to the Agent such further instruments and do and cause to be done such further acts as may be

necessary or proper in the reasonable opinion of the Agent to carry out more effectually the provisions and purposes of the Credit Documents; and

(x) [REDACTED]

Section 6.2 Negative Covenants.

So long as any amount owing under this Agreement or any other Credit Document remains unpaid or any Lender has any obligation under this Agreement and, unless consent is given in accordance with Section 10.1, each Corporate Credit Party shall not:

- (a) **Debt.** Create, incur, assume or suffer to exist any Debt except:
 - (i) Debt of the Borrower to the Lenders under the Credit Documents;
 - (ii) Guarantees by the Credit Parties in favour of the Agent and the Lenders pursuant to the Credit Documents;
 - (iii) Debt existing on the date hereof and disclosed on Schedule 6.2(a)(iii) to the extent such Debt conforms to its description on Schedule 6.2(a)(iii) and provided that the creditor under any such Debt has entered into subordination arrangements satisfactory to the Agent;
 - (iv) Debt owing between Corporate Credit Parties;
 - (v) Debt under Capital Leases (including a sale-leaseback agreement) and under purchase money security interest financings, in each case only as approved by the Agent;
 - (vi) Debt in respect of a corporate credit card facility in an aggregate amount not to exceed [REDACTED] at any time outstanding;
 - (vii) Debt associated with workers' compensation claims or performance, bid, surety or similar bonds;
 - (viii) for certainty, *bona fide* trade payables in the ordinary course of business; and
 - (ix) Swap Agreements entered into in the ordinary course of business solely to hedge risks associated with fluctuations in foreign exchange rates and not for speculative purposes;
- (b) **Treatment of Agent and Lenders.** Engage, except as required by Applicable Law, in any conduct that would result in the Agent or any Lender receiving proportionally less payments or less favourable treatment than it would otherwise be entitled to hereunder or under the Credit Documents;
- (c) **Liens.** Create, incur, assume or suffer to exist, any Lien on any Assets of such Corporate Credit Party, except Permitted Liens;

- (d) **Mergers, Etc.** Enter into any reorganization, consolidation, amalgamation, arrangement, merger or other similar transaction, except as among Corporate Credit Parties, provided that any such event among Corporate Credit Parties has been disclosed to the Agent in writing at least thirty (30) days prior to effectiveness;
- (e) **Dissolution, Etc.** Liquidate, dissolve or wind up or take any steps or proceedings in connection therewith except, in the case of a Corporate Credit Party, where the successor thereto or transferee thereof is the Borrower or another Corporate Credit Party;
- (f) [reserved];
- (g) **Financial Assistance.** Provide any Financial Assistance to any Person, other than Financial Assistance in favour of another Corporate Credit Party, Financial Assistance in favour of the Agent or the other Secured Creditors under and in accordance with the Credit Documents or Financial Assistance disclosed on Schedule 6.2(g);
- (h) **Disposal of Assets Generally**
 - (i) dispose of (in one transaction or in a series of transactions, including by means of a division or plan of division), any Assets or properties (including by way of sale-leaseback transactions) to any Person other than (A) by way of sale by such Corporate Credit Party of inventory in the ordinary course of its Business; (B) property or Assets (other than securities) which have no material economic value in the Business or are obsolete, worn out, unnecessary or no longer useable or used in the Business; (C) from one Corporate Credit Party to another Corporate Credit Party; and (D) other Dispositions not to exceed [REDACTED] in the aggregate in any Financial Year (calculated for all such Corporate Credit Parties combined);
 - (ii) In the event any Asset is Disposed of with the Agent's prior written consent or as otherwise permitted hereby then such Corporate Credit Party shall deliver, within two (2) Business Days of receipt, all of the Net Proceeds of any such Disposition to the Agent for application to the Obligations in accordance with the terms of Section 2.4(2)(a);
- (i) **Transactions with Related Parties.** Directly or indirectly, enter into any agreement with, make any financial accommodation for, or otherwise enter into any transaction with, a Related Party except in the ordinary course of, and pursuant to the reasonable requirements of, business and at prices and on terms not less favourable to the Borrower or the Corporate Credit Party, as the case may be, than could be obtained in a comparable arm's length transaction with another Person, including entering into or assuming any employment, consulting or analogous agreement or arrangement with any of its or their directors or senior or executive officers or senior management;
- (j) **Change in Management, Board Committees, Financial Reporting, Etc.** Make any change in senior management of any Corporate Credit Party, any committee of the Board of Directors or any of the powers of any such committee, the budget set out in the Annual Business Plan if such change would result in a deviation with a negative impact of more than 10% from the budget last delivered to the Agent pursuant to Section 6.1(a)(i);

- (k) **Compensation Agreements.** Amend, restate, supplement, renew, replace or otherwise modify in any material respect any employment, compensation, consulting or analogous agreement or arrangement with any of the directors or officers of the Corporate Credit Parties listed in Schedule 6.2(k) without the prior written approval of the Agent.
- (l) **Nature of Business.** Engage in any business other than the Business and such other lines of business as may be reasonably related or complementary thereto;
- (m) **Share Capital.** Issue any Equity Securities except (i) to a Credit Party provided that all such Equity Securities have been pledged to, and certificates representing the same together with stock transfer powers duly executed in blank have been delivered to, the Agent pursuant to the Security Documents, (ii) pursuant to the Warrants, (iii) common shares of the Borrower that are or will be listed on the TSX Venture Exchange or any other stock exchange on which securities of the Borrower are traded, or (iv) options, warrants, or broker warrants that are exercisable by the holder thereof solely into common shares of the Borrower, that are or will be listed on the TSX Venture Exchange or any other stock exchange on which securities of the Borrower are traded. No Corporate Credit Party other than the Borrower shall permit or facilitate the transfer of any Equity Securities issued by it without the prior written consent of the Agent, which shall not be unreasonably withheld;
- (n) **New Subsidiaries.** (i) Form or acquire any new Subsidiaries or (ii) acquire Equity Securities in any entity other than a Corporate Credit Party;
- (o) **Distributions.** Other than Distributions consisting solely of common shares of the Borrower issued pursuant to agreements listed in Schedule 6.2(o), declare, make or pay any Distributions except the payment of salaries, fees or incentive plan payments to officers, directors or employees of any Corporate Credit Party in their capacity as such in the ordinary course of business and at reasonable levels, dividends paid by any Subsidiary of a Corporate Credit Party to such Corporate Credit Party with respect to their Equity Securities, Distributions made by a Corporate Credit Party pursuant to and in accordance with stock option plans or other benefit plans for management or employees, acceptable to the Agent in its sole discretion; and repayment of Debt owing between Corporate Credit Parties, provided that no Event of Default has occurred and is continuing at the time of any such repayment.
- (p) **Investments.** Make any Investment in any Person or otherwise acquire (in one or a series of related transactions) any property or any part of any property (whether tangible or intangible) owned by any Person (or agree to do any of the foregoing at any future time) other than:
 - (i) Accounts arising in the ordinary course of business;
 - (ii) purchases and other acquisitions of Goods and intangible property in the ordinary course of business;
 - (iii) investment in Cash and Cash Equivalents;
 - (iv) Financial Assistance permitted pursuant to Section 6.2(g); and

- (v) for greater certainty, and subject to Section 6.2(z)(ii), leases of property in the ordinary course of business, made in accordance with the terms of this Agreement;

provided that, in each case, any property acquired thereby shall be subject to perfected or registered first priority Liens in favour of the Agent for the benefit of the Secured Creditors free and clear of all Liens other than Permitted Liens;

- (q) **Pension Plans and Collective Bargaining Agreements.** Enter into any Pension Plans, U.S. Pension Plans or collective bargaining agreements;
- (r) **Financial Year/Auditor.** Change its Financial Year or its auditor;
- (s) **Amendments.**
 - (i) Make or permit to be made any amendments or other modifications to any Material Agreement or terminate, cancel or surrender any Material Agreement or any provision thereunder to which it is a party if such amendments or other modifications could reasonably be expected to have a Material Adverse Effect or to be adverse to the interests of the Lenders under the Credit Documents;
 - (ii) Amend or change any of its articles, by-laws or other constituting documents if such amendments or changes could reasonably be expected to have a Material Adverse Effect or could be adverse to the interests of the Lenders under the Credit Documents or enter into any agreement with respect to its Equity Securities restricting transfer of the same or otherwise adverse to the interests of the Lenders under the Credit Documents;
- (t) **Agreements.** Enter into any agreement or other arrangement that could reasonably be expected to have a Material Adverse Effect or to be adverse to the interests of the Agent or the Lenders under the Credit Documents;
- (u) **Restrictive Agreements.** Directly or indirectly enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon the ability of any Credit Party to create, incur or permit to exist any Lien upon any of its Assets; the ability of any Corporate Credit Party to pay dividends or other distributions with respect to any Equity Securities or with respect to, or measured by, its profits or to make or repay loans or advances to any Corporate Credit Party or to provide a guarantee of any Debt of any Corporate Credit Party; or the ability of any Corporate Credit Party to sell, lease or transfer any of its Assets to any other Corporate Credit Party; in each case, except: (w) restrictions and conditions contained in the Credit Documents and (y) customary provisions in leases and other ordinary course contracts restricting the assignment, sub-letting or pledge thereof;
- (v) **Compromise of Accounts.** Compromise or adjust any of its Accounts or any other claims or receivables owing to it (or extend the time for payment thereof) or grant any discounts, allowances or credits, except in the ordinary course of business;
- (w) **Sale or Discount of Receivables.** Except for (i) Accounts obtained by any Corporate Credit Party out of the ordinary course of business, (ii) the settlement of joint interest billing accounts in the ordinary course of business, and (iii) discounts granted to settle collection

[REDACTED] to be less than [REDACTED], and (ii) its TTM EBITDA to be less than [REDACTED] as at [REDACTED] and each Financial Quarter thereafter, in each case, tested as at the end of such Financial Quarter.

- (c) **Minimum Sales Per Square Foot.** The Corporate Credit Parties shall not permit (x) the aggregate Sales of the Eligible Stores for the immediately preceding consecutive 12 calendar months, divided by (y) the aggregate square footage of the retail space accessible to the public of the Eligible Stores as at the end of such 12-calendar month period, tested as at the end of each Financial Quarter, to be less than: (i) Mex[REDACTED] per square foot as at [REDACTED], (ii) Mex[REDACTED] per square foot as at [REDACTED], (iii) Mex[REDACTED] per square foot as at [REDACTED], (iv) Mex[REDACTED] per square foot as at [REDACTED], and (v) Mex[REDACTED] per square foot as at [REDACTED] and each Financial Quarter thereafter.

Section 6.4 Security Covenants.

So long as any amount owing under this Agreement remains unpaid or any Lender has any obligation under this Agreement, and unless consent is given in accordance with Section 10.1, the Borrower and each other Corporate Credit Party shall:

- (a) **Status of Accounts Receivables, Collateral.** With respect to the Collateral promptly notify the Agent if any Account in excess of [REDACTED] arises out of contracts with any Governmental Authority, and execute, or cause any applicable Corporate Credit Party to execute, any instruments and take, or cause any applicable Corporate Credit Party to take, any steps required by the Agent in order that all moneys due or to become due under the contract are assigned to the Agent and notice of such assignment be given to the Governmental Authority, if any amount payable to the Borrower or any other Corporate Credit Party in excess of [REDACTED] is evidenced by a promissory note or other instrument, notify the Agent in writing and, upon the request of the Agent, forthwith pledge, endorse, assign and deliver, or cause any applicable Corporate Credit Party to pledge, endorse, assign and deliver, to the Agent the promissory note or instrument, as additional Collateral, and notify the Agent in writing of any agreement under which any terms of sale or service (written or oral) which are materially different from normal operating procedures may have been or will be granted;
- (b) **Business Outside Certain Jurisdictions.** Obtain the prior written consent of the Agent in respect of any proposed change in the location of (w) any place of business of such Corporate Credit Party, (x) the chief executive office, registered office, principal place of business or head office of any Corporate Credit Party and (z) any place where tangible Assets of such Corporate Credit Party are stored, and any proposed change in the name (including the adoption of a French form of name) of such Corporate Credit Party; and promptly notify the Agent of any change in the name, address, contact details or terms affecting any material obligor or customer of such Corporate Credit Party; and
- (c) **Perfection and Protection of Security Interest.** Promptly file and perfect (or cause to be filed and perfected) any Security that requires filing in order to perfect or protect priority in connection with any Security in accordance with the terms of any Security Document; and promptly cure or cause to be cured any defects in the execution and delivery of any of the Credit Documents by a Credit Party or any defects in the validity or enforceability of any of the Security relating to a Credit Party and at its expense, execute and deliver or

cause to be executed and delivered, all such agreements, instruments, legal opinions and other documents (including the filing of any financing statements or financing change statements) as the Agent may consider necessary or desirable to protect or otherwise perfect the Security including without limitation any specific registrations with respect to Assets of the Credit Parties.

ARTICLE 7 CHANGES IN CIRCUMSTANCES

Section 7.1 Increased Costs.

(1) If any Change in Law shall:

- (a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;
- (b) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement or any Advance made by it or any participation by it in such Advance, or change the basis of taxation of payments to such Lender in respect thereof, except for Indemnified Taxes or Other Taxes for which a payment has been made by a Credit Party pursuant to Section 7.2 and the imposition, or any change in the rate, of any Excluded Taxes payable by such Lender; or
- (c) impose on any Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or the rateable portion of any Advance made by such Lender or in which such Lender has a participation interest;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, maintaining, issuing or participating in any Advance (or of maintaining its obligation to make, issue or participate in any Advance), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount), then upon request of such Lender the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

- (2) If any Lender reasonably determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by, issued, or participated in by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of its holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.
- (3) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in Section 7.1(1) or Section 7.1(2), including reasonable detail of the basis of calculation of the amount or amounts, and delivered to

the Borrower shall be prima facie evidence of such amount or amounts. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

- (4) Failure or delay on the part of any Lender to demand compensation pursuant to this Section 7.1 shall not constitute a waiver of such Lender's right to demand such compensation, except that the Borrower shall not be required to compensate a Lender pursuant to this Section 7.1 for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the nine-month period referred to above shall be extended to include the period of retroactive effect thereof.
- (5) The provisions of this Section 7.1 shall survive the termination of this Agreement and the repayment of the Revolving Facility.

Section 7.2 Taxes.

- (1) If any Credit Party, the Agent, any Lender or any other recipient is required by Applicable Law to withhold, deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document then the sum payable by the Credit Party shall be increased by the applicable Credit Party when payable as necessary so that, after making or allowing for all required withholdings, deductions and payments for Indemnified Taxes (including deductions and payments applicable to additional sums payable under this Section 7.2), the Agent, any Lender or other recipient, as the case may be, receives an amount equal to the sum it would have received had no such withholdings, deductions or payments for Indemnified Taxes been required, the applicable Credit Party shall make any such withholdings or deductions required to be made by it under Applicable Law and the applicable Credit Party shall timely pay or remit the full amount required to be withheld or deducted to the relevant Governmental Authority in accordance with Applicable Law.
- (2) Without limiting the provisions of Section 7.2(1) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.
- (3) Each Credit Party, on a joint and several basis, shall indemnify the Agent, each Lender and any other recipient of a payment by or on account of any obligation of the Credit Parties hereunder or under any other Credit Document, within 30 days after demand therefor, which the Agent or such Lender shall make as soon as practical after it has determined that it is entitled to indemnification, for the full amount of any such Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid or payable by the Agent, Lender or recipient and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by such Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be prima facie evidence of such amount or amounts.
- (4) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Credit Party to a Governmental Authority, such Credit Party shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the

return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

- (5) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which a Credit Party is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Credit Document shall, at the written request of such Credit Party, deliver to such Credit Party (with a copy to the Agent), at the time or times prescribed by Applicable Law or reasonably requested by such Credit Party or the Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding and in addition, any Lender, if requested by a Credit Party or the Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by such Credit Party or the Agent as will enable such Credit Parties or the Agent to determine whether or not such Lender is subject to withholding or information reporting requirements, provided that no Lender shall be required to disclose any confidential information or information not in its possession. This paragraph shall not be construed as requiring any Foreign Lender to make available any information which it deems confidential to any Credit Party or any other Person.
- (6) If the Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by a Credit Party or with respect to which a Credit Party has paid additional amounts pursuant to this Section 7.2, it shall pay over to such Credit Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Credit Party under this Section 7.2 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of the Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that such Credit Party, upon the request of the Agent or such Lender, shall repay the amount paid over to such Credit Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Agent or such Lender in the event the Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 7.2(6), in no event will the Agent or such Lender be required to pay any amount to a Credit Party pursuant to this Section 7.2(6) the payment of which would place the Agent or such Lender in a less favorable net after-Tax position than the Agent or such Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require the Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to any Credit Party or any other Person.
- (7) If a payment made to a Lender under any Credit Document would be subject to United States federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code of 1986, as in effect from time to time, as applicable), such Lender shall deliver to the Borrower and Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code of 1986, as in effect from time to time) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from

such payment. Solely for the purposes of this Section 7.2(7), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

- (8) The provisions of this Section 7.2 shall survive the termination of this Agreement and the repayment of the Revolving Facility.

Section 7.3 Illegality.

If any Lender reasonably determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain, issue or participate in the Revolving Facility, or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Agent, any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Agent), prepay the Revolving Facility or take any necessary steps with respect to the Revolving Facility, which are within its reasonable control, in order to avoid the activity that is unlawful. Upon any such prepayment, the Borrower shall also pay accrued interest on the amount so prepaid and any applicable breakage costs and amounts as a result of prepayment to a Lender. Each Lender agrees to designate a different lending office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

ARTICLE 8 EVENTS OF DEFAULT

Section 8.1 Events of Default.

The occurrence of any one or more of the following events shall constitute an event of default under this Agreement (an "**Event of Default**"):

- (a) the Borrower fails to pay any Advances Outstanding, Interest Charges, Fees or other Obligations (except for the Obligations the subject of Section 8.1(c) below) payable hereunder when they become due and payable;
- (b) the Borrower fails to eliminate a Borrowing Base Shortfall as required in Section 2.13;
- (c) the Borrower fails to pay legal and advisor fees of the Agent and the Lenders as contemplated by this Agreement within ten (10) Business Days of being invoiced therefor;
- (d) any representation or warranty or certification made or deemed to be made by a Credit Party in any Credit Document shall prove to have been incorrect in any material respect when made or deemed to be made; *provided that* if the matter, defect or deficiency that is the subject matter of any such misrepresentation is capable of correction or remedy (and not merely by changing the representation made) then it is not corrected or remedied to the satisfaction of the Agent, acting reasonably, within ten (10) Business Days after written notice thereof by the Agent to the Borrower;
- (e) a Credit Party fails to perform, observe or comply with any term, covenant or agreement contained in Section 2.8(6), Section 2.8(7), Section 2.8(8), Section 6.1(a), Section 6.1(b)(i), Section 6.1(d), Section 6.1(e), Section 6.2, or Section 6.3 of this Agreement;

- (f) a Credit Party (or, with respect to the Voting Support Agreement, any Key Shareholder) fails to perform, observe or comply with any other term, covenant or agreement contained in this Agreement or any other Credit Document to which it is a party (other than those specified in subparagraphs (a), (b), (c) or (e) above) or any term, covenant or agreement contained in the Warrant Agreement, Director Nomination Agreement, or Voting Support Agreement to which it is a party unless such failure or breach is cured (to the extent capable of being cured) to the satisfaction of the Agent, acting reasonably, within ten (10) Business Days after written notice thereof by the Agent to the Borrower;
- (g) (i) any of the Credit Parties fails to pay the principal of, or premium or interest or other amount on, any of its Debt (excluding Debt under this Agreement) which is outstanding in an aggregate principal amount exceeding [REDACTED] (or the Equivalent Amount in another currency) when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to any such Debt; or any other event occurs or condition exists and continues after the applicable grace period, if any, specified in any agreement or instrument relating to any such Debt, if its effect is to accelerate, or permit the acceleration of such Debt; or any such Debt shall be declared to be due and payable prior to its stated maturity; or (ii) there occurs under any Swap Agreement an Early Termination Date (as defined in such Swap Agreement) resulting from (A) any event of default under such Swap Agreement as to which a Corporate Credit Party is the Defaulting Party (as defined in such Swap Agreement) or (B) any Termination Event (as so defined) under such Swap Agreement as to which a Corporate Credit Party is an Affected Party (as so defined).
- (h) any Corporate Credit Party fails to perform or observe any term, covenant or agreement contained in any Material Agreement on its part to be performed or observed where such failure could reasonably be expected to have a Material Adverse Effect; or any Material Agreement is terminated or revoked or permitted to lapse (other than in accordance with its terms and not as a result of default) where such termination, revocation, or lapse could reasonably be expected to have a Material Adverse Effect;
- (i) any Credit Party (or, with respect to the Voting Support Agreement, any Key Shareholder) repudiates its obligations under any Credit Document or the Warrant Agreement, the Director Nomination Agreement, or the Voting Support Agreement or claims any of the Credit Documents or the Warrant Agreement, the Director Nomination Agreement, or the Voting Support Agreement to be invalid or withdrawn in whole or in part;
- (j) any one or more of the Credit Documents or the Warrant Agreement, the Director Nomination Agreement, or the Voting Support Agreement or any material provision thereof ceases to be, or is determined by a court of competent jurisdiction not to be, a legal, valid and binding obligation of any Credit Party (or, with respect to the Voting Support Agreement, any Key Shareholder) which is a party thereto, enforceable by the Agent and the Lenders or any of them against such Credit Party;
- (k) any of the Security at any time does not constitute a valid and perfected first priority Lien on any of the Collateral, subject only to Permitted Liens which rank by law in priority;
- (l) any judgment or order for the payment of money in excess of [REDACTED] (or the Equivalent Amount in another currency) is rendered against any of the Credit Parties, except to the

extent fully covered (other than for customary deductibles) by insurance pursuant to which the insurer has not denied coverage, and either enforcement proceedings have been commenced by a creditor upon the judgment or order, or there is a period of fifteen (15) consecutive days during which a stay of enforcement of the judgment or order, by reason of a pending appeal or otherwise, is not in effect;

- (m) any Corporate Credit Party incurs any Environmental Liabilities which are not:
 - (x) provided for in an Annual Business Plan for the year in which such Environmental Liabilities are incurred; or
 - (ii) insured pursuant to an insurance policy maintained by a Corporate Credit Party and for which it has received insurance proceeds in the amount of such Environmental Liabilities,

and which will require expenditures, for any one occurrence, in excess of [REDACTED] (or the Equivalent Amount in another currency), or aggregating in any Financial Year on a consolidated basis, [REDACTED] (or the Equivalent Amount in another currency);

- (n) there is a Change of Control;
- (o) any of the Credit Parties becomes insolvent or generally not able to pay its debts as they become due, admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors, institutes or has instituted against it any proceeding seeking (x) to adjudicate it a bankrupt or insolvent, (y) liquidation, winding up, administration, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors including any proceeding under applicable corporate law seeking a compromise or arrangement of, or stay of proceedings to enforce, some or all of the debts of such Person, or (z) the entry of an order for relief or the appointment of a receiver, interim receiver, receiver-manager, administrator, custodian, monitor, trustee or other similar official for it or for any substantial part of its Assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of thirty (30) days, such Person fails to diligently and actively oppose such proceeding, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, receiver-manager, interim receiver, administrator, custodian, monitor, trustee or other similar official for it or for any substantial part of its properties and assets) occurs, or takes any corporate action to authorize any of the above actions;
- (p) there has occurred an event or development that could, in the reasonable opinion of the Agent, reasonably be expected to have a Material Adverse Effect; or
- (q) the audited consolidated financial statements of the Borrower [REDACTED] or later are qualified by an Impermissible Qualification;

Section 8.2 Acceleration.

Upon the occurrence and during the continuance of an Event of Default, the Agent may, and shall at the request of the Majority Lenders, by written notice to the Borrower declare the Revolving Facility, all

accrued interest and Fees and all other amounts payable under this Agreement to be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided that, upon the occurrence of an Event of Default under Section 8.1(o), the Revolving Facility, all accrued interest and Fees and all other amounts payable under this Agreement shall become immediately due and payable, with any presentment, demand, protest or notice of any kind from the Agent or any Lender.

Section 8.3 Remedies upon Default.

- (1) Upon a declaration that the Revolving Facility is immediately due and payable pursuant to Section 8.2, the Agent may, or at the direction of the Majority Lenders will, commence such legal action or proceedings deemed expedient, including the commencement of enforcement proceedings under the Credit Documents, all without any additional notice, presentation, demand, protest, notice of dishonour, entering into of possession of any property or assets, or any other action or notice, all of which are expressly waived by the Credit Parties.
- (2) The rights and remedies of the Agent and the Lenders under the Credit Documents are cumulative and are in addition to, and not in substitution for, any other rights or remedies. Nothing contained in the Credit Documents with respect to the indebtedness or liability of the Credit Parties to the Secured Creditors, nor any act or omission of the Secured Creditors, or any of them, with respect to the Credit Documents or the Security, provided that such act or omission is not in breach of any term or provision of the Credit Documents, shall in any way prejudice or affect the rights, remedies and powers of the Secured Creditors under the Credit Documents and the Security.

Section 8.4 Right of Set-off.

If a Default or an Event of Default has occurred and is continuing, each of the Lenders and each of their respective Affiliates is hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency), including amounts in the Blocked Accounts, at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Credit Parties against any and all of the obligations of the Credit Parties now or hereafter existing under this Agreement or any other Credit Document to such Lender, irrespective of whether or not such Lender has made any demand under this Agreement or any other Credit Document and although such obligations of the Credit Parties may be contingent or unmatured. The rights of each of the Lenders and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of set-off, consolidation of accounts and bankers' lien) that the Lenders or their respective Affiliates may have. Each Lender agrees to promptly notify the Borrower and the Agent after any such set-off and application, but the failure to give such notice shall not affect the validity of such set-off and application. If any Affiliate of a Lender exercises any rights under this Section 8.4, it shall share the benefit received in accordance with Section 9.13 as if the benefit had been received by the Lender of which it is an Affiliate.

Section 8.5 Application of Cash Proceeds of Realization.

- (1) All Proceeds of Realization not in the form of cash shall be forthwith delivered to the Agent and disposed of, or realized upon, by the Agent in accordance with Applicable Law so as to produce Cash Proceeds of Realization.
- (2) Subject to the claims, if any, of secured creditors of the Credit Parties whose security ranks in priority to the Security, all Cash Proceeds of Realization shall be applied and distributed, and the

claims of the Secured Creditors shall be deemed to have the relative priorities which would result in the Cash Proceeds of Realization being applied and distributed, as follows:

- (a) first, to the payment of all reasonable costs and expenses (including fees of counsel) of the Agent in connection with enforcing the rights of the Lenders under this Agreement and the applicable Credit Documents, including all expenses of sale or other realization of or in respect of the Collateral, including compensation to the agents and counsel for the Agent, and all expenses, liabilities and advances incurred or made by the Agent in connection therewith, and any other obligations owing to the Agent in respect of sums advanced by the Agent to preserve the Collateral or to preserve the Security in the Collateral;
 - (b) second, to the payment of all reasonable costs and expenses (including fees of counsel) of each of the Lenders in connection with enforcing its rights under the Credit Documents or otherwise with respect to the Obligations owing to such Lender;
 - (c) third, to the payment of all of the Obligations under the Revolving Facility consisting of accrued fees and interest
 - (d) fourth, except as set forth in clauses (a) through (c) above, to the payment of the outstanding Obligations owing to any Secured Creditor in connection with the Revolving Facility, ratably, as set forth below, with an amount equal to the Obligations being paid to the Agent for the account of the Lenders and the Agent, with each Lender and the Agent receiving an amount equal to its outstanding Obligations under the Revolving Facility, or, if the proceeds are insufficient to pay in full all Obligations thereunder, its Pro-Rata Share (as defined below) of the amount remaining to be distributed until all Obligations under the Revolving Facility are satisfied in full; and
 - (e) fifth, to the payment of the surplus, if any, to whomever may be lawfully entitled to receive such surplus.
- (3) In carrying out the foregoing, amounts received shall be applied in the numerical order provided in Section 8.5(2) until exhausted prior to application to the next succeeding subsection, and each of the Secured Creditors shall receive an amount equal to its Pro-Rata Share of amounts available to be applied pursuant to Section 8.5(2)(b) through Section 8.5(2)(d).
- (4) For purposes of this Section 8.5, "**Pro-Rata Share**" means, when calculating a Secured Creditor's portion of any distribution or amount, that amount (expressed as a percentage) equal to a fraction the numerator of which is the then unpaid amount of such Secured Creditor's Obligations and the denominator of which is the then outstanding amount of all Obligations. If any payment to any Secured Creditor of its Pro-Rata Share of any distribution would result in overpayment to such Secured Creditor, such excess amount shall instead be distributed in respect of the unpaid Obligations of the other Secured Creditors, with each Secured Creditor whose Obligations have not been paid in full to receive an amount equal to such excess amount multiplied by a fraction the numerator of which is the unpaid Obligations of such Secured Creditor and the denominator of which is the unpaid Obligations of all Secured Creditors entitled to such distribution.

**ARTICLE 9
THE AGENT AND THE LENDERS**

Section 9.1 Appointment and Authority.

Each of the Secured Creditors hereby irrevocably appoints the Agent to act on its behalf as the Agent hereunder and under the other Credit Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Secured Creditors, and no Credit Party shall have rights as a third party beneficiary of any of such provisions (other than pursuant to Section 9.12(3)).

Section 9.2 Rights as a Lender.

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

Section 9.3 Exculpatory Provisions.

- (1) The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents. Without limiting the generality of the foregoing, the Agent:
 - (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;
 - (b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Agent is required to exercise as directed in writing by the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Credit Documents), but the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability, is contrary to any Credit Document or Applicable Law, would require the Agent to become registered to do business in any jurisdiction, or would subject the Agent to taxation; and
 - (c) shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Agent or any of its Affiliates in any capacity.
- (2) The Agent (and of its directors, officers, agents or employees) shall not be liable for any action taken or not taken by it with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as is necessary, or as the Agent believes in good faith is necessary, under the provisions of the Credit Documents) or in the absence of its own gross negligence or wilful misconduct. The Agent shall not be deemed to have knowledge of any Default

or Event of Default unless and until notice describing the Default or Event of Default is given to the Agent by the Borrower or a Lender.

- (3) Except as otherwise expressly specified in this Agreement, the Agent shall not be responsible for or have any duty to ascertain or inquire into any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, the validity, enforceability, effectiveness or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document or the satisfaction of any condition specified in this Agreement, other than to confirm receipt of items expressly required to be delivered to the Agent.
- (4) The Agent is not obliged to take or refrain from taking any action or exercise or refrain from exercising any right or discretion under the Credit Documents, or incur or subject itself to any cost in connection with the Credit Documents, unless it is first specifically indemnified or furnished with security by the Secured Creditors, in form and substance satisfactory to it (which may include further agreements of indemnity or the deposit of funds).

Section 9.4 Reliance by the Agent.

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

Section 9.5 Indemnification of the Agent.

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

Section 9.6 Delegation of Duties.

The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent of the Agent may perform any and all of its duties and exercise its rights and

powers by or through their respective Related Parties. The provisions of this Article 9 and other provisions of this Agreement for the benefit of the Agent shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agents, and shall apply to their respective activities in connection with the syndication of the Revolving Facility provided for herein as well as activities as the Agent.

Section 9.7 Notices.

The Agent shall promptly deliver to each Lender any notices, reports or other communications contemplated in this Agreement which are intended for the benefit of the Lenders.

Section 9.8 Replacement of the Agent.

- (1) The Agent may resign at any time by giving 30 days' prior notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Lenders shall have the right, acting unanimously, with the prior written consent of the Borrower, to appoint a successor. Upon the occurrence of a Default or an Event of Default, the Borrower's consent rights pursuant to this Section 9.8(1) shall cease.
- (2) If no such successor shall have been so appointed by unanimous consent of the Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders, appoint a successor Agent, provided that if the retiring Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Agent on behalf of the Secured Creditors under any of the Credit Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender directly, until such time as the Lenders appoint a successor Agent pursuant to Section 9.8(1).
- (3) Upon a successor's appointment as the Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former Agent, and the former Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided in the preceding paragraph). After the termination of the service of the former Agent, the provisions of this Article 9 and of Section 10.6 shall continue in effect for the benefit of such former Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the former Agent was acting as the Agent.

Section 9.9 Non-Reliance on the Agent and Other Lenders.

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

Section 9.10 Collective Action of the Secured Creditors.

Each of the Secured Creditors hereby acknowledges that to the extent permitted by Applicable Law, any collateral security and the remedies provided under the Credit Documents to the Secured Creditors are for the benefit of the Secured Creditors collectively and acting together and not severally and further acknowledges that its rights hereunder and under any Security Document are to be exercised not severally, but by the Agent in accordance with the terms hereof or thereof and as expressly provided for in the Credit Documents. Accordingly, notwithstanding any of the provisions contained herein or in any Security Document, each of the Secured Creditors hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including, without limitation, any declaration of default hereunder or thereunder, but that any such action shall be taken only by the Agent. Each of the Secured Creditors hereby further covenants and agrees that upon any such written agreement being given, it shall co-operate fully with the Agent to the extent requested by the Agent. Notwithstanding the foregoing, in the absence of instructions from the Lenders and where in the sole opinion of the Agent, acting reasonably and in good faith, the exigencies of the situation warrant such action, the Agent may without notice to or consent of the Secured Creditors take such action on behalf of the Secured Creditors as it deems appropriate or desirable in the interest of the Secured Creditors.

Section 9.11 Obligations.

The Secured Creditors agree that all Obligations shall rank *pari passu* with each other and any proceeds from any realization of the Collateral shall be applied to the Obligations rateably in accordance with Section 8.5 (whether such Collateral is in the name of the Agent or in the name of any one or more of the other Secured Creditors and without regard to any priority to which any Secured Creditor may otherwise be entitled under Applicable Law). The provisions of this Section 9.11 shall survive the termination of this Agreement and the repayment of the Revolving Facility.

Section 9.12 Holding of Security; Discharge.

- (1) The Security shall be held by the Agent for the rateable benefit of the Secured Creditors in accordance with its terms and any proceeds from any realization of the Security shall be applied to the Obligations of each Secured Creditor rateably (whether such Security is held in the name of the Agent or in the name of any one or more of the Secured Creditors and without regard to any priority to which the Secured Creditor may otherwise be entitled under Applicable Law).
- (2) Each Secured Creditor agrees with the other Secured Creditors that it will not, without the prior consent of the other Secured Creditors, take or obtain any Lien on any properties or assets of the Borrower or any other Credit Party to secure the obligations of the Borrower under the Credit Documents, except for the benefit of all Secured Creditors or as may otherwise be required by Applicable Law.
- (3) The Secured Creditors hereby irrevocably authorize the Agent to, and the Agent will, release the Security on any Collateral constituting Assets subject to a Disposition to any Person (other than the Borrower or any other Corporate Credit Party or a Subsidiary thereof), if the Borrower has certified to the Agent and the Agent is satisfied with such certificate, in its sole discretion, that the Disposition is in compliance with the terms of this Agreement (and the Agent may rely conclusively on any such certificate, without further inquiry). The Agent will, at the request and expense of the Borrower, execute and deliver to the relevant Credit Party such financing change statements, releases, discharges, documents or other instruments as the Credit Party may reasonably require to

effect the release of discharge of the Security over such Collateral, provided that the proceeds of any such Disposition shall continue to constitute part of the Collateral.

Section 9.13 Sharing of Payments by Lenders.

If any Lender, by exercising any right of set-off or counterclaim or otherwise, obtains any payment or other reduction that might result in such Lender receiving payment or other reduction of a proportion of the aggregate principal amount outstanding to it under the Revolving Facility and accrued interest thereon or other obligations hereunder greater than its rateable share thereof as provided herein, then the Lender receiving such payment or other reduction shall notify the Agent of such fact, and purchase (for cash at face value) participations in the Revolving Facility and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders rateably in accordance with the aggregate principal amount outstanding to it under the Revolving Facility and accrued interest thereon and other amounts owing them.

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against it rights of set-off and counterclaim and similar rights of Lenders with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation, to the extent no other Lender has the right to exercise any such rights as a result of or in respect of the participation acquired by such Lender.

Section 9.14 Liability of the Lenders inter se.

Each of the Lenders agrees with each of the other Lenders that, except as otherwise expressly provided in this Agreement, none of the Lenders has or shall have any duty or obligation, or shall in any way be liable, to any of the other Lenders in respect of the Credit Documents or any action taken or omitted to be taken in connection with them.

Section 9.15 Agent Advances

The Agent is authorized by the Lenders, but is not obligated, to make loans to the Borrower ("**Agent Advances**"), subject to periodic settlement with the Lenders in the following circumstances: (i) for administrative convenience in exceptional circumstances, (ii) to preserve or protect the Collateral held by the Lenders or any portion thereof, (iii) to enhance the likelihood of, or maximize the amount of, repayment of the Obligations, (iii) to finance or pay any other amount chargeable to the Borrower pursuant to the terms of the Credit Documents, or (iv) when the conditions for borrowing cannot be fulfilled, but in the reasonable business judgment of the Agent, an Agent Advance is deemed necessary or desirable to preserve or protect the Collateral, in which case Agent Advances in an aggregate amount at any time not exceeding **[REDACTED]** of the Commitment may be issued. Any Agent Advances shall be repayable on demand and be secured by the Collateral and shall bear interest at a rate per annum equal to the effective interest rate then applicable to the Obligations.

Section 9.16 Survival.

The provisions of this Article shall survive the termination of this Agreement and the repayment of the Revolving Facility.

**ARTICLE 10
MISCELLANEOUS**

Section 10.1 Amendments, etc.

- (1) Subject to Section 10.1(2) and Section 10.1(3), (i) no amendment of any provision of any of the Credit Documents shall be effective unless in writing and signed by the Agent and the Credit Parties party thereto and (ii) no waiver of any provision of any of the Credit Documents, nor consent to any departure by the Credit Parties or any other Person from such provisions, shall be effective unless in writing and approved by the Agent. Any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.
- (2) Without the prior written consent of each Lender, no amendment, waiver or consent shall:
 - (a) increase or decrease any Lender's Commitment;
 - (b) extend the Maturity Date of the Revolving Facility;
 - (c) reduce or forgive any principal amount of the Revolving Facility;
 - (d) reduce the stated rate of interest on the Revolving Facility;
 - (e) change the number or percentage of Lenders, in each case, required for the Lenders, or any of them, or the Agent to take any action;
 - (f) amend the requirement of pro rata application of all amounts received by the Agent in respect of the Revolving Facility or the Obligations, or the requirement of pro rata sharing by the Lenders pursuant to Section 9.13;
 - (g) change the definition of Majority Lenders; or
 - (h) amend this Section 10.1.
- (3) Only written amendments, waivers or consents signed by the Agent and, in the case of an amendment, the Agent and Credit Parties party thereto, in addition to all of the Lenders, shall affect the rights or duties of the Agent under the Credit Documents.

Section 10.2 Waiver.

- (1) No failure on the part of a Lender or the Agent to exercise, and no delay in exercising, any right under any of the Credit Documents shall operate as a waiver of such right; nor shall any single or partial exercise of any right under any of the Credit Documents preclude any other or further exercise of such right or the exercise of any other right.
- (2) Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the initial Advance and, notwithstanding such initial Advance or any investigation made by or on behalf of any party, shall continue in full force and effect. The closing of this transaction shall not prejudice any right of one party against any other party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

Section 10.3 Additional Subsidiaries.

The Borrower covenants and agrees to cause, at its cost and expense, any new Subsidiary of any Corporate Credit Party (including any Person created by a division or plan of division) to promptly, and in any event, within 20 days of becoming a Subsidiary, become party to this Agreement by executing and delivering to the Agent a supplemental agreement (a "**Supplement**") to this Agreement in substantially the form attached as Exhibit 3 to this Agreement. Effective from and after the date of the execution and delivery by any such Subsidiary to the Agent of a Supplement, such Person shall be, and shall be deemed for all purposes to be, a Subsidiary and a Corporate Credit Party under this Agreement with the same force and effect, and subject to the same agreements, representations, guarantees, indemnities, liabilities and obligations, as if such Person were, effective as of such date, an original signatory to this Agreement as a Subsidiary and a Corporate Credit Party. The execution and delivery of a Supplement by any Person shall not require the consent of any other Credit Party and all of the obligations of each Credit Party under this Agreement shall remain in full force and effect notwithstanding the addition of any additional Subsidiary to this Agreement.

Section 10.4 Evidence of Debt.

The indebtedness of the Borrower under the Revolving Facility shall be evidenced by the records of the Agent acting on behalf of the Lenders which shall constitute *prima facie* evidence of such indebtedness.

Section 10.5 Notices; Effectiveness; Electronic Communication.

- (1) Except in the case of notices and other communications expressly permitted to be given by telephone to the Borrower, all notices and other communications to the Borrower (which shall be deemed to constitute notice to all Credit Parties under the Credit Documents) provided for herein shall be sent by email addressed to:

Email:[REDACTED]

With copies to the following which will not constitute formal notice:

Email: [REDACTED]

Email: [REDACTED]

Email: [REDACTED]

- (2) Except in the case of notices and other communications expressly permitted to be given by telephone to the Agent, all notices and other communications to the to the Agent provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax or email addressed to the Agent at:

Third Eye Capital Corporation
Bay Wellington Tower
181 Bay Street, Suite 2830
Toronto ON M5J 2T3

Attention: Operations

Telephone: [REDACTED]
Fax: [REDACTED]
Email: [REDACTED]

- (3) Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by fax shall be deemed to have been given when sent (except that, if not given on a Business Day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next business day for the recipient). Notices delivered through email to the Borrower shall be deemed to have been given when sent (except that, if not given on a Business Day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next business day for the recipient). Notices delivered through email to the Agent shall be deemed to have been given when the sender receives an email from the Agent acknowledging receipt, provided that an automatic "read receipt" does not constitute acknowledgment of an email for purposes of this Section 10.5(3).
- (4) Any party hereto may change its address, fax number or email address for notices and other communications hereunder by notice to the other parties hereto.

Section 10.6 Expenses; Indemnity; Damage Waiver.

- (1) The Borrower shall pay all reasonable expenses incurred by the Secured Creditors, including the reasonable fees, charges and disbursements of counsel, in connection with the preparation, negotiation, execution, delivery and administration of this Agreement, the other Credit Documents, the Warrant Agreement, the Director Nomination Agreement and the Voting Support Agreement or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and all expenses incurred by the Secured Creditors, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of their rights in connection with this Agreement, the other Credit Documents, the Warrant Agreement, the Director Nomination Agreement and the Voting Support Agreement including their rights under this Section 10.6, and the Advances hereunder, including all such expenses incurred during any workout, restructuring or negotiations in respect of such Advance; taxes; fees and other charges for registering, publishing or recording the Credit Documents; filing financing statements and continuations, and other actions to perfect, protect, register and continue the Agent's Liens; sums paid or incurred to pay any amount or take any action required of any Credit Party under the Credit Documents that the Credit Parties fail to pay or take; reasonable costs of appraisals, inspections, field examinations, and verifications of the Collateral (including, without limitation, the reasonable documented out-of-pocket expenses (including travel, meals and lodging) for each field examination of any Credit Party performed by personnel employed by the Agent, and the reasonable out of pocket fees and charges paid or incurred by the Agent (including if it elects to employ the services of one or more third person to perform field examinations of any Credit Party), to establish electronic collateral reporting systems, to appraise Collateral, or any portion thereof, or to assess any Credit Party's business valuation; reasonable costs and expenses of the Agent following loan proceeds; collecting cheques and other items of payment, and establishing and maintaining bank accounts; reasonable costs and expenses of preserving and protecting all or any portion of the Collateral; any claims or liabilities whatsoever which may be incurred by any Secured Creditor, including reasonable lawyer's and paralegals fees, on a solicitor and his own client basis; and any costs incurred by such Secured Creditor relating to any violation or alleged violation of any Applicable Law by any of the Credit Parties, including Environmental Laws.

- (2) The Borrower and each Credit Party shall jointly and severally indemnify the Agent (and any sub-agent thereof), each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Credit Party arising out of, in connection with, or as a result of:
- (a) the execution or delivery of this Agreement, any other Credit Document, Warrant Agreement, Director Nomination Agreement, or Voting Support Agreement, or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby;
 - (b) the Revolving Facility or the use or proposed use of the proceeds therefrom;
 - (c) the presence of Contaminants in, on, at, under or about, or the discharge or likely discharge of Contaminants from, any of the Leased Properties or any of the properties now or previously used or occupied by the Borrower, any of the Credit Parties, or the breach by or non-compliance with any Environmental Law by any mortgagor, owner or lessee of such properties, or any Environmental Liability related in any way to the Credit Parties; or
 - (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by a Credit Party and regardless of whether any Indemnitee is a party thereto;

provided in each case that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee.

- (3) To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under Section 10.6(1) or Section 10.6(2) to be paid by it to the Agent (or any sub-agent thereof), a Lender, or any other Indemnitee of any of the foregoing, each Secured Creditor severally agrees to pay to the Agent (or any such sub-agent) or other Indemnitee, as the case may be, such Secured Creditor's Pro-Rata Share (determined with reference to Section 8.5(4) as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any such sub-agent) or Lender in its capacity as such, or against any or any other Indemnitee of any of the foregoing acting for the Agent (or any such sub-agent) in connection with such capacity.
- (4) To the fullest extent permitted by Applicable Law, neither the Borrower, any other Credit Party nor any Subsidiary of the Borrower or any other Credit Party shall assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Advance or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use

by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.

- (5) All amounts due under this Section 10.6 shall be payable promptly after demand therefor. A certificate of the Agent or a Lender setting forth the amount or amounts owing to the Agent, Lender, Related Party or other Indemnitee, as the case may be, as specified in this Section 10.6, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be deemed to be prima facie evidence of such amount or amounts.
- (6) The provisions of this Section 10.6 shall survive the termination of this Agreement and the repayment of the Revolving Facility. To the extent required by law to give full effect to the rights of the Indemnitees under this Section 10.6, the parties hereto agree and acknowledge that the Agent and Lender are acting as agent for their respective Related Parties and agrees to hold and enforce such rights on behalf of such Related Parties as they may direct. The Borrower and each other Credit Party acknowledges that neither its obligation to indemnify nor any actual indemnification by it of the Lenders, the Agent or any other Indemnitee in respect of such Person's losses for legal fees and expenses shall in any way affect the confidentiality or privilege relating to any information communicated by such Person to its counsel.

Section 10.7 Power of Attorney.

Each of the Credit Parties hereby irrevocably constitutes and appoints the Agent (and any officer or agent thereof) as its true and lawful attorney with power to, upon the occurrence of an Event of Default that is continuing, in the place of the Credit Parties and in their names with full power of substitution, for the purpose of carrying out the terms of this Agreement and the other Credit Documents, to take any action and to execute documents and instruments which may be necessary or desirable to accomplish the purposes of such agreements. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, bankruptcy, dissolution, winding up, insolvency of the Credit Parties. This power of attorney extends to and is binding upon the Credit Parties' successors and permitted assigns. The Agent shall not be liable to the Credit Parties for any action taken by the Agent or its designee under such power of attorney, except to the extent that such action was taken by the Agent in bad faith or with gross negligence or wilful misconduct. This power of attorney shall terminate without further writing upon the payment in full of the Revolving Facility and the Lenders having no further obligation hereunder.

Section 10.8 Successors and Assigns.

- (1) This Agreement shall become effective when executed by each Credit Party, the Agent and each Lender and after that time shall be binding upon and enure to the benefit of the Credit Parties, the Lenders and the Agent and their respective successors and permitted assigns.
- (2) No Credit Party shall have the right to assign its rights or obligations under this Agreement or any interest in this Agreement without the prior consent of all the Lenders and the Agent, which consent may be arbitrarily withheld.
- (3) A Lender may grant participations in all or any part of its interest in the Revolving Facility to one or more Persons (each a "**Participant**"). A Lender may also with the prior written consent of the Agent, assign all or any part of its interest in the Revolving Facility and the Credit Documents to one or more Persons (each an "**Assignee**") without any requirement for notice to or consent of the

Borrower or any other Person other than the Agent. The Lender granting a participation shall, unless otherwise expressly provided in this Agreement, act on behalf of all of its Participants in all dealings with the Borrower in respect of the Revolving Facility and no Participant shall have any voting or consent rights with respect to any matter requiring the Lenders' consent. In the case of an assignment, the Assignee shall have the same rights and benefits and be subject to the same limitations under the Credit Documents as it would have if it was the Lender. The Borrower agrees that each Participant shall be entitled to the benefits of Section 7.1 and Section 7.2 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to this Section 10.8. To the extent permitted by Applicable Law, each Participant also shall be entitled to the benefits of Section 8.4 and Section 10.6 as though it were a Lender, provided such Participant agrees to be subject to Section 9.5 as though it were a Lender.

- (4) The Borrower shall assist the Agent and any Lender to sell assignments or participations under this Section 10.8 in whatever manner reasonably necessary in order to enable or effect such assignment or participation including providing such certificates, acknowledgments and further assurances in respect of this Agreement and the Revolving Facility as such Lender may reasonably require in connection with any participation or assignment pursuant to this Section 10.8.
- (5) In the case of an assignment, the Lender shall deliver an Assignment and Assumption by which the Assignee assumes the obligations of such Lender and agrees to be bound by all the terms and conditions of this Agreement, all as if the Assignee had been an original party. Upon receipt by the Agent of the Assignment and Assumption, the assigning Lender and the Borrower shall be released from its obligations under this Agreement (to the extent of such assignment and assumption) and shall have no liability or obligations to each other to such extent, except in respect of matters arising prior to the assignment.
- (6) Any Lender may at any time pledge or grant a security interest in all or a portion of its rights under this Agreement to secure obligations of such Lender provided that no such pledge or security shall release such Lender from any of its obligations hereunder or substitute any such pledgee for such Lender as a party hereto.
- (7) No assignment or grant of participation pursuant to this Section 10.8 will constitute a repayment by the Borrower to the assigning or granting Lender of any Advance, nor a new Advance to the Borrower by the Lender or by the Assignee or Participant, as the case may be, and the parties acknowledge that the Borrower's obligations with respect to any such Advances will continue and will not constitute new obligations.

Section 10.9 Judgment Currency.

- (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due to a Lender in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, such Lender could purchase the Original Currency with the Other Currency on the Business Day preceding the day on which final judgment is given or, if permitted by Applicable Law, on the day on which the judgment is paid or satisfied.
- (2) The obligations of the Borrower in respect of any sum due in the Original Currency from it to a Lender under any of the Credit Documents shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by such

Lender of any sum adjudged to be so due in the Other Currency, such Lender may, in accordance with normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to such Lender in the Original Currency, the Borrower agrees, as a separate obligation and notwithstanding the judgment, to indemnify such Lender, against any loss, and, if the amount of the Original Currency so purchased exceeds the sum originally due to such Lender in the Original Currency, such Lender shall remit such excess to the Borrower.

Section 10.10 Anti-Terrorism Laws.

- (1) If, upon the written request of any Lender, the Agent has ascertained the identity of the Credit Parties or any authorized signatories of the Credit Parties for purposes of Anti-Terrorism Laws, then the Agent:
 - (a) shall be deemed to have done so as an agent for such Lender, and this Agreement shall constitute a "written agreement" in such regard between such Lender and the Agent within the meaning of the applicable Anti-Terrorism Law; and
 - (b) shall provide to such Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.
- (2) Notwithstanding and except as may otherwise be agreed in writing, each of the Lenders agrees that the Agent does not have any obligation to ascertain the identity of the Credit Parties or any authorized signatories of the Credit Parties on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from the Credit Parties or any authorized signatory in doing so.

Section 10.11 Governing Law; Jurisdiction; Etc.

- (1) This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.
- (2) Each of the Credit Parties irrevocably and unconditionally submit, for itself and its Assets, to the fullest extent permitted by Applicable Law, to the non-exclusive jurisdiction of the courts of the Province of Ontario, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Credit Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Credit Document shall affect any right that the Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against any Credit Party or its Assets in the courts of any jurisdiction.
- (3) The Borrower and each Credit Party irrevocably consents to the service of any and all process in any such action or proceeding to the Borrower and such Credit Party at the address provided for it in Section 10.5 of this Agreement. Nothing in this Section 10.11(3) limits the right of the Agent or any Lender to serve process in any other manner permitted by Applicable Law.

- (4) The Credit Parties irrevocably and unconditionally waive, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Credit Document in any court referred to in Section 10.11(2). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

Section 10.12 Waiver of Jury Trial.

Each party hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or any other Credit Document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). Each party hereto certifies that no representative, agent or attorney of any other Person has represented, expressly or otherwise, that such other Person would not, in the event of litigation, seek to enforce the foregoing waiver and acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the other Credit Documents by, among other things, the mutual waivers and certifications in this Section.

Section 10.13 Counterparts; Integration; Effectiveness; Electronic Execution.

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Credit Documents and any separate letter agreements with respect to fees payable to the Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.14 Treatment of Certain Information; Confidentiality.

- (1) Each of the Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, managers, administrators, trustees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), to the extent required by Applicable Law or regulations or by any subpoena or similar legal process, to any other party hereto, in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, subject to an agreement containing provisions substantially the same as those of this Section 10.14 to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or any actual or prospective party (or its partners, directors, officers, employees, managers, administrators, trustees, agents, advisors or other representatives) to any swap, derivative, credit-linked note or similar transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, with the consent of the Borrower or to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Agent or Credit Party.

- (2) For purposes of this Section, "**Information**" means all information received in connection with this Agreement from any of the Credit Parties or any of their respective Subsidiaries relating to any of the Credit Parties or any of their respective Subsidiaries or any of their respective businesses, other than any such information that is available to the Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section 10.14 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers.
- (3) The Agent agrees that it will not utilize, or disclose to, share with, provide access to or otherwise make any other Person (other than its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, managers, administrators, trustees, agents, advisors and representatives for the purposes of performing its obligations and exercising its rights under the Credit Documents) aware of the existence of, any decryption tools and keys deposited with the Agent, unless and until an Event of Default has occurred and is continuing, it will exercise the same degree of care to prevent the unauthorized use, access or release of such decryption tools and keys as it would accord to its confidential and proprietary information and property, it will not produce copies, extracts or other reproductions of such decryption tools and keys, and upon the full and indefeasible payment and performance of the Obligations and the Agent and the Lenders having no obligations under any Credit Document, at the Borrower's election, the Agent shall return or destroy such decryption tools and keys, such destruction to be certified in writing to the Borrower upon request by the Borrower.

Section 10.15 Severability.

If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 10.16 Time of the Essence.

Time is of the essence of this Agreement.

Section 10.17 USA PATRIOT Act.

Each Lender that is subject to the requirements of the *USA PATRIOT Act* hereby notifies the Borrower that, pursuant to the requirements of the *USA PATRIOT Act*, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the *USA PATRIOT Act*.

Section 10.18 No Fiduciary Duty.

The Agent, each Lender and their respective Affiliates (collectively, solely for purposes of this Section 10.18, the "**Lenders**"), may have economic interests that conflict with those of the Credit Parties, their shareholders and their Affiliates. The Credit Parties agree that nothing in the Credit Documents will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Credit Parties, its shareholders or its Affiliates, on the other hand. The Credit Parties acknowledge and agree that the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Credit Parties, on the other hand, and in connection therewith and with the process leading thereto, no Lender has assumed an advisory or fiduciary responsibility in favour of the Credit Parties, its shareholders or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise the Credit Parties, its shareholders or its Affiliates on other matters) or any other obligation to the Credit Parties except the obligations expressly set forth in the Credit Documents and each Lender is acting solely as principal and not as the agent or fiduciary of the Credit Parties, its management, shareholders, creditors or any other person. The Credit Parties acknowledge and agree that the Credit Parties have consulted their own legal and financial advisors to the extent they deemed appropriate and that they are responsible for making their own independent judgment with respect to such transactions and the process leading thereto. The Credit Parties agree that they will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Credit Parties, in connection with such transactions or the process leading thereto.

Section 10.19 Joint and Several Liability

Each of the Corporate Credit Parties shall be jointly and severally liable for each Obligation. The Borrower and the other Corporate Credit Parties are engaged in related businesses and are integrated to such an extent that the financial strength and flexibility of each Corporate Credit Party has a direct, tangible and immediate impact on the success of the other Corporate Credit Parties. Each Corporate Credit Party will derive substantial direct and indirect benefit from the extensions of the Revolving Facility to the Borrower hereunder. Each Credit Party waives any right to revoke, terminate or suspend its Guarantee and acknowledges that it entered into such Guarantee in contemplation of the benefits that it would receive by this Agreement.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF the patties have executed this Credit Agreement.

PESORAMA INC., as Bonower

PESORAMA HOLDINGS INC., as Guarantor

By: **[REDACTED]**

Name: **[REDACTED]**
Title: **[REDACTED]**

By: **[REDACTED]**

Name: **[REDACTED]**
Title: **[REDACTED]**

By: _____
Name:
Title:

By: _____
Name:
Title:

CANMEX DOLLARSTORES, S.A. DE C.V., as Guarantor

JOI CANADIAN STORES, S.A. DE C.V., as Guarantor

By: **[REDACTED]**

Name: **[REDACTED]**
Title: **[REDACTED]**

By: **[REDACTED]**

Name: **[REDACTED]**
Title: **[REDACTED]**

By: _____
Name:
Title:

By: _____
Name:
Title:

PESORAMA CONSULTING SERVICES, S.A. DE C.V., as Guarantor

By: **[REDACTED]**

Name: **[REDACTED]**
Title: **[REDACTED]**

By: _____
Name:
Title:

[REDACTED]

MBI/TEC PRIVATE DEBT OPEN-END TRUST FUND by its investment manager **THIRD EYE ASSET MANAGEMENT** as a Lender

By: **[REDACTED]**

[REDACTED]

TEC CREDIT INCOME MASTER FUND by its general partner **TEC CREDIT INCOME FUND**, by its general partner **TEC CREDIT INCOME FUND (CANADA)**, as a Lender

By: **[REDACTED]**

[Signature Page of Lenders]

**THIRD EYE CAPITAL CORPORATION, as
Agent**

By: [REDACTED]

[Signature Page of Agent)

DISCLOSURE SCHEDULES

Schedule 5.1(a)	Jurisdictions of Incorporation
Schedule 5.1(g)	Intellectual Property Infringements
Schedule 5.1(j)	Owned Properties and Leased Properties
Schedule 5.1(t)	Environmental Laws
Schedule 5.1(x)	Labour Matters
Schedule 5.1(aa)	Tax Liability
Schedule 5.1(bb)	Corporate Structure
Schedule 5.1(cc)	Shareholders' Agreements
Schedule 5.1(hh)	Security Documents
Schedule 5.1(kk)(i)	Location of Assets and Business
Schedule 5.1(kk)(ii)	Intellectual Property
Schedule 5.1(kk)(iii)	Legal Proceedings
Schedule 5.1(kk)(iv)	Material Agreements
Schedule 5.1(kk)(v)	Bank Accounts and Security Accounts
Schedule 5.1(kk)(vi)	Credit Card Arrangements
Schedule 6.2(a)(iii)	Permitted Debt
Schedule 6.2(c)	Permitted Liens
Schedule 6.2(g)	Permitted Financial Assistance
Schedule 6.2(k)	Compensation Agreements
Schedule 6.2(o)	Distributions

Schedule 5.1(a)
Jurisdictions of Incorporation

As set forth in Schedule 5.1(a) of the Disclosure Letter.

Schedule 5.1(g)
Intellectual Property Infringements

As set forth in Schedule 5.1(g) of the Disclosure Letter.

Schedule 5.1(j)
Owned Properties and Leased Properties

As set forth in Schedule 5.1(j) of the Disclosure Letter.

**Schedule 5.1(t)
Environmental**

As set forth in Schedule 5.1(t) of the Disclosure Letter.

Schedule 5.1(x)
Labour Matters

As set forth in Schedule 5.1(x) of the Disclosure Letter.

**Schedule 5.1(aa)
Tax Liability**

As set forth in Schedule 5.1(aa) of the Disclosure Letter.

**Schedule 5.1(bb)
Corporate Structure**

As set forth in Schedule 5.1(bb) of the Disclosure Letter.

**Schedule 5.1(cc)
Shareholders Agreements**

As set forth in Schedule 5.1(cc) of the Disclosure Letter.

Schedule 5.1(hh)
Security Documents

Security Delivered on the Closing Date. On the Closing Date, as continuing collateral security for the payment and satisfaction of all Obligations to the Agent and the Lenders, the Borrower shall deliver or cause to be delivered to the Agent for itself and on behalf of the Lenders the following documents, all of which shall be in form and substance satisfactory to the Agent and the Lenders:

1. an Ontario-law general security agreement from the Corporate Credit Parties in favour of the Agent constituting a first-priority Lien (subject to Permitted Liens) on all of the present and future Assets of the Corporate Credit Parties;
2. a Mexican-law non-possessory pledge agreement from the Corporate Credit Parties in favour of the Agent constituting, on and following the Funding Date, a first-priority Lien (subject to Permitted Liens) on all of the present and future Assets of the Corporate Credit Parties;
3. an Ontario-law unconditional and unlimited guarantee from the Corporate Credit Parties (other than the Borrower) guaranteeing the due payment and performance to the Agent and the Lenders of all present and future Obligations to the Agent and the Lenders or any one or more of them under the Credit Documents;
4. a Mexican-law unconditional and unlimited corporate guarantee agreement from the Corporate Credit Parties (other than the Borrower) guaranteeing the due payment and performance to the Agent and the Lenders of all present and future Obligations to the Agent and the Lenders or any one or more of them under the Credit Documents;
5. an Ontario-law securities pledge agreement from the Corporate Credit Parties in favour of the Agent constituting a first-priority or first-ranking Lien on all Equity Securities owned by the Corporate Credit Parties in other Corporate Credit Parties from time to time;
6. a Mexican-law pledge agreement from the Corporate Credit Parties in favour of the Agent constituting a first-priority or first-ranking Lien on all Equity Securities owned by the Corporate Credit Parties in other Corporate Credit Parties from time to time;
7. an Ontario-law unconditional and limited guarantee from the Individual Guarantor, limited to a pledge of his direct and indirect Equity Securities in Canmex Dollarstores, S.A. de C.V.;
8. an Ontario-law securities pledge agreement from the Individual Guarantor in favour of the Agent constituting a first-priority or first-ranking Lien on all Equity Securities owned by the Individual Guarantor in Canmex Dollarstores, S.A. de C.V. from time to time;
9. a Mexican-law securities pledge agreement from the Individual Guarantor in favour of the Agent constituting a first-priority or first-ranking Lien on all Equity Securities owned by the Individual Guarantor in Canmex Dollarstores, S.A. de C.V. from time to time;
10. certificates representing the Equity Securities of the Corporate Credit Parties pledged pursuant to the Security Documents together with duly executed stock transfer powers in respect thereof;

11. Ontario-law blocked account agreements from each of the Blocked Account Credit Parties and the relevant depository bank(s) in favour of the Agent;
12. Mexican-law bank account mandate agreements from each of the Blocked Account Credit Parties and the relevant depository bank(s) in favour of the Agent;
13. Collateral Access Agreements from each of the Corporate Credit Parties and the relevant landlord(s) in favour of the Agent;
14. Credit Card Notifications from each of the Corporate Credit Parties in favour of the Agent delivered to such Corporate Credit Party's Credit Card Issuers and Credit Card Processors; and
15. such other security as may be required by the Agent and the Lenders from time to time.

Schedule 5.1(kk)(i)
Location of Assets and Business

As set forth in Schedule 5.1(kk)(i) of the Disclosure Letter.

Schedule 5.1(kk)(ii)
Intellectual Property

As set forth in Schedule 5.1(kk)(ii) of the Disclosure Letter.

**Schedule 5.1(kk)(iii)
Litigation**

As set forth in Schedule 5.1(kk)(iii) of the Disclosure Letter.

**Schedule 5.1(kk)(iv)
Material Agreements**

As set forth in Schedule 5.1(kk)(iv) of the Disclosure Letter.

Schedule 5.1(kk)(v)
Corporate Credit Parties' Bank Accounts

As set forth in Schedule 5.1(kk)(v) of the Disclosure Letter.

Schedule 5.1(kk)(vi)
Credit Card Arrangements

As set forth in Schedule 5.1(kk)(vi) of the Disclosure Letter.

Schedule 6.2(a)(iii)
Permitted Debt

As set forth in Schedule 6.2(a)(iii) of the Disclosure Letter.

**Schedule 6.2(c)
Permitted Liens**

As set forth in Schedule 6.2(c) of the Disclosure Letter.

Schedule 6.2(g)
Permitted Financial Assistance

As set forth in Schedule 6.2(g) of the Disclosure Letter.

**Schedule 6.2(k)
Compensation Agreements**

As set forth in Schedule 6.2(k) of the Disclosure Letter.

**Schedule 6.2(o)
Distributions**

As set forth in Schedule 6.2(o) of the Disclosure Letter.

EXHIBIT 1
FORM OF NOTICE OF ADVANCE

NOTICE OF ADVANCE

[●], 20[●]

TO: Third Eye Capital Corporation, as Agent

AND TO: The Lenders

Dear Sirs/Mesdames:

The undersigned (the "**Borrower**") refers to the credit agreement dated June 9, 2023 (as amended, amended and restated, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, the "**Credit Agreement**", the terms defined therein being used herein as therein defined) among the Borrower and the Corporate Credit Parties, as guarantors, the Lenders and the Agent, and gives you notice pursuant to Section 3.2 of the Credit Agreement that the Borrower requests an Advance under the Credit Agreement, and, in that connection, sets forth below the information relating to the Advance:

1. The date of the Advance, being a Business Day, is [●], 20__ (the "**Proposed Borrowing Date**").
2. The aggregate amount of the Advance under the Revolving Facility is \$[●].
3. The use of proceeds of the Advance is [DETAILED ENUMERATED USE OF PROCEEDS TO BE INCLUDED] and such Advance will be used for the use and purposes set out in Section 2.3(1) of the Credit Agreement.
4. All of the representations and warranties of each Credit Party contained in the Credit Agreement and each other Credit Document to which such Credit Party is a party are true and correct on and as of the date hereof as though made on and as of the date hereof (and will be true and correct on and as of the Proposed Borrowing Date specified above as though made on and as of such date), in any such case, except to the extent any such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date.
5. All of the covenants of each of the Credit Parties contained in the Credit Documents to which such Credit Party is a party have been performed or shall be performed on the date of the Advance, and all of the other conditions precedent to the Advance requested hereby, and all other terms and conditions contained in the Credit Agreement to be complied with by such Credit Party have been or shall be complied with concurrently with, or immediately following, the funding of the Advance, in each case, fully met or performed.
6. No Default or Event of Default under the Credit Agreement has occurred and is continuing nor will any Default or Event of Default occur as a result of the Advance being requested or the application by the Borrower of the proceeds thereof.

Yours truly,

PESORAMA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

CONFIRMATION TO THE NOTICE OF ADVANCE

By executing this Confirmation, each Corporate Credit Party (other than the Borrower), acknowledges and confirms that, as of the date hereof:

1. All of representations and warranties of such Corporate Credit Party contained in the Credit Agreement and each other Credit Document to which such Corporate Credit Party is a party are true and correct on and as of the date hereof as though made on and as of the date hereof (and will be true and correct on and as of the Proposed Borrowing Date specified above as though made on and as of such date), in any such case, except to the extent any such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date.
2. No Default or Event of Default under the Credit Agreement has occurred and is continuing.

DATED the _____ day of [●], 20[●].

[Signature page follows.]

PESORAMA INC., as Borrower

By: _____
Name:
Title:

By: _____
Name:
Title:

CANMEX DOLLARSTORES, S.A. DE C.V., as Guarantor

By: _____
Name:
Title:

By: _____
Name:
Title:

PESORAMA CONSULTING SERVICES, S.A. DE C.V., as Guarantor

By: _____
Name:
Title:

By: _____
Name:
Title:

PESORAMA HOLDINGS INC., as Guarantor

By: _____
Name:
Title:

By: _____
Name:
Title:

JOI CANADIAN STORES, S.A. DE C.V., as Guarantor

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT 2
FORM OF COMPLIANCE CERTIFICATE

COMPLIANCE CERTIFICATE

TO: Third Eye Capital Corporation, as Agent

AND TO: The Lenders

RE: Compliance Certificate for the calendar month ended _____
("Statement Date")

The undersigned refers to the credit agreement dated as of June 9, 2023 (as amended, amended and restated, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, the "**Credit Agreement**", the terms defined therein being used herein are as therein defined) among the Borrower, the Guarantors, the Lenders and the Agent.

I, the undersigned [Key Officer] of, the Borrower, certify, without personal liability, to the Agent and the Lenders, that:

1. I have read the provisions of the Credit Agreement which are relevant to this Compliance Certificate and have made or caused to be made such examinations or investigations as are necessary to enable me to express an informed opinion on the matters contained in this Compliance Certificate.

2. The Borrower is in compliance with all of the financial covenants set forth in Section 6.3 of the Credit Agreement for the period ended as of the Statement Date further to the following calculations:

- | | |
|--|---------|
| (a) Working Capital Ratio | [●]:1.0 |
| (b) TTM EBITDA ¹ | [●]:1.0 |
| (c) Eligible Stores Sales per square foot in relevant quarter ² | \$(●) |

Detailed calculations of the ratios and the amounts referenced above are attached as Schedule I, Schedule II, and Schedule III.

3. Attached hereto as Schedule IV is an updated Schedule 5.1(j) (Owned Properties and Leased Properties) of the Credit Agreement showing changes to that Schedule with respect to the Corporate Credit Parties over the last calendar month.

4. Attached hereto as Schedule V is an updated Schedule 5.1(kk)(i) (Location of Assets and Business) of the Credit Agreement showing changes to that Schedule over the last calendar month.

¹ To be included in Compliance Certificates with a Statement Date of January 31, April 30, July 31 and October 31 commencing on April 30, 2024.

² To be included in Compliance Certificates with a Statement Date of January 31, April 30, July 31 and October 31.

5. As at this date:

(a) No Default or Event of Default has occurred under the Credit Agreement or any other Credit Document and is continuing;

(b) No Credit Party is in breach of any of the covenants, terms and conditions of the Credit Agreement and the other Credit Documents to be observed or performed by it thereunder;

(c) The representations and warranties of each of the Credit Parties referred to in Section 5.1 of the Credit Agreement and each other Credit Document to which such Credit Party is a party are true and correct as though made on this date, except to the extent any such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date;

(d) The financial information, calculations and other information attached at Schedule I, Schedule II, Schedule III, Schedule IV and Schedule V are true and correct in all material respects, as of the dates or for the periods, as applicable, specified on such Schedule; and

(e) The financial statements delivered pursuant to Section 6.1(a) of the Credit Agreement for the period ended as of the Statement Date (i) have been prepared in accordance with IFRS in effect on the date of such financial statements consistently applied and the information contained therein is true and correct in all material respects, and (ii) present fairly the results of operations and changes in the financial position of the Corporate Credit Parties as of and to this date. There has been no material change in the financial position of the Corporate Credit Parties since the date of the most recent financial statements delivered pursuant to Section 6.1(a) of the Credit Agreement.

6. **[[No Mandatory Repayment] [A Mandatory Repayment]** in the amount of \$ _____] is required pursuant to Section 2.4(2) of the Credit Agreement.

[Signature page follows]

DATED the _____ day of [●], 20[●].

PESORAMA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE I
DETAILS OF WORKING CAPITAL RATIO

Current Assets determined in accordance with IFRS (excluding Cash and Cash Equivalents)	\$ _____
Current Liabilities determined in accordance with IFRS but excluding any Obligations and excluding the current portion of the Borrower's lease liabilities reported on its financial statements owing to landlords under Leases of Leased Properties	\$ _____

SCHEDULE II
DETAILS OF TTM EBITDA CALCULATION

Consolidated Net Income	\$ _____ (1)
<i>To the extent reflected as a charge in the statement of Consolidated Net Income:</i>	
Income and income based tax expense	\$ _____ (2)
Interest Charges;	\$ _____ (3)
Rent expenses under Capital Leases;	\$ _____ (4)
Depreciation Expense;	\$ _____ (5)
Extraordinary or nonrecurring losses, expenses and charges;	\$ _____ (6)
Realized losses on Swap Agreements or other derivatives entered into for hedging interest rate or commodity price risks;	\$ _____ (7)
Any non-cash loss attributable to the mark to market movement in the valuation of any equity interests, and Swap Agreements or other derivative instruments but only to the extent the cash impact resulting from such loss has not been realized;	\$ _____ (8)
Fees and expenses incurred during such period in connection with any actual issuance of any Debt, or any actual acquisitions, Investments, asset sales or divestitures;	\$ _____ (9)
Operating expense attributed to actual acquisitions including salary obligations paid to employees terminated, one-time restructuring charges, implementation of cost savings initiatives, relocation costs, integration costs, recruitment fees, transition costs, and professional consulting fees;	\$ _____ (10)
Earn-out and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments, in each case in connection with actual acquisitions or Investments;	\$ _____ (11)
All fees, expenses or charges from abandoned, closed, disposed or discontinued operations and any losses on disposal of abandoned, closed or discontinued operations,	\$ _____ (12)

and attributable to business dispositions or asset dispositions
(other than in the ordinary course of business);

All non-cash losses, charges and expenses, including any
asset impairments, write-offs or write-downs; and
Stock-based compensation.

\$ _____ (13)
\$ _____ (14)

*To the extent included in the statement of Consolidated Net
Income:*

Interest income and credits;

\$ _____ (15)

Any extraordinary income or gains;

\$ _____ (16)

Income and commodity tax credits (to the extent not netted
from tax expenses);

\$ _____ (17)

Any other non-cash income; and

\$ _____ (18)

Any non-cash expenses associated with stock-based
compensation.

\$ _____ (19)

**(1) + (2) + (3) + (4) + (5) + (6) + (7) + (8) + (9)
+ (10) + (11) + (12) + (13) + (14) - [(15) + (16) + (17) +
(18) + (19)]**

EBITDA

\$ _____

SCHEDULE III
DETAILS OF ELIGIBLE STORES SALES PER SQUARE FOOT

SCHEDULE IV

[•]

SCHEDULE V

[•]

EXHIBIT 3
FORM OF SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT

This Supplemental Agreement, dated as of [●], 20[●] (this "**Supplement**"), by and among [●] (the "**Additional Credit Party**"), the Borrower and the Corporate Credit Parties, as guarantors, the Lenders and the Third Eye Capital Corporation, as administrative agent (the "**Agent**").

RECITALS:

WHEREAS, reference is hereby made to the Credit Agreement, dated as of June 9, 2023 (as amended, amended and restated, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, the "**Credit Agreement**", the terms defined therein being used herein as therein defined), among the Borrower, the guarantors signatory thereto from time to time, the lenders signatory thereto from time to time, as lenders (collectively, the "**Lenders**") and the Agent;

WHEREAS, the Additional Credit Party is a Subsidiary of a Corporate Credit Party; and

WHEREAS, the Additional Credit Party wishes to become party to the Credit Agreement pursuant to Section 10.3 of the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

1. The Additional Credit Party hereby acknowledges, agrees and confirms that, by its execution of this Supplement, it will be deemed to be a party to the Credit Agreement and a "Credit Party" for all purposes to the Credit Agreement, and shall have all of the obligations of a Credit Party thereunder as if it had originally executed the Credit Agreement as such.
2. The Agent hereby acknowledges, agrees and confirms that, by the execution of this Supplement, the Additional Credit Party shall have all of the rights of a Credit Party under the Credit Agreement as if it had originally executed the Credit Agreement as a party thereto.
3. The Additional Credit Party hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement which are applicable to it, including, without limitation (i) all applicable representations and warranties of the Credit Parties and which are not made as of an earlier date, set forth in Article 5 of the Credit Agreement, as supplemented from time to time in accordance with the terms thereof, and (ii) all covenants of the Credit Parties set forth in Article 6 of the Credit Agreement.
4. Without limiting the generality of the foregoing, the Borrower repeats, to and in favour of the Agent and the Lenders, the representations and warranties set forth in Article 5 of the Credit Agreement applicable to the Additional Credit Party, and not made as of an earlier date, and the Borrower acknowledges and confirms that the Agent and Lenders are relying upon such representations and warranties and that they are true and correct as of the date hereof with the same force and effect as if made at and as of the date hereof, including the information required to be updated in the schedules to the Credit Agreement with respect to the Additional Credit Party, which is attached hereto in Schedule I.

5. The Additional Credit Party acknowledges and confirms that it has received a copy of the Credit Agreement and the schedules and exhibits thereto.

6. The Borrower and the current Credit Parties confirm that all of their obligations under the Credit Agreement are, and upon the Additional Credit Party becoming a party, shall continue to be, in full force and effect. The Additional Credit Party hereby agrees that upon becoming a Credit Party, it will assume from and after the date hereof all applicable obligations arising from and after the date hereof of a Credit Party as set forth in the Credit Agreement and shall deliver or cause to be delivered all applicable Credit Documents required to be delivered by the Credit Party, together with any legal opinions and other documents reasonably requested by Agent in connection with this Supplement.

7. This Supplement may not be amended, modified or waived except by an instrument or instruments in writing signed and delivered on behalf of each of the parties hereto.

8. This Supplement and the Credit Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

9. This Supplement shall be deemed to be a Credit Document.

10. This Supplement and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

11. Any provision of this Supplement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. This Supplement may be executed in counterparts, each of which shall be deemed to be an original and which counterparts together shall constitute one and the same Supplement. This Supplement may be executed by facsimile or email PDF, and any signature contained hereon by facsimile or email PDF shall be deemed to be equivalent to an original signature for all purposes.

[Signature page follows]

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Supplemental Agreement as of the date first written above.

PESORAMA INC., as Borrower

PESORAMA HOLDINGS INC., as Guarantor

By: _____

Name:

Title:

By: _____

Name:

Title:

By: _____

Name:

Title:

By: _____

Name:

Title:

CANMEX DOLLARSTORES, S.A. DE C.V., as Guarantor

JOI CANADIAN STORES, S.A. DE C.V., as Guarantor

By: _____

Name:

Title:

By: _____

Name:

Title:

By: _____

Name:

Title:

By: _____

Name:

Title:

PESORAMA CONSULTING SERVICES, S.A. DE C.V., as Guarantor

[NEW CREDIT PARTY], as a Guarantor

By: _____

Name:

Title:

By: _____

Name:

Title:

By: _____

Name:

Title:

By: _____

Name:

Title:

[Continued on next page]

**THIRD EYE CAPITAL CORPORATION, as
Agent**

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE I
CREDIT AGREEMENT SCHEDULE REQUIRED UPDATES

EXHIBIT 4
FORM OF BORROWING BASE CERTIFICATE
BORROWING BASE CERTIFICATE

[REDACTED]

**SCHEDULE I OF EXHIBIT 4
BORROWING BASE CALCULATIONS**

[SCHEDULE HAS BEEN REDACTED]

**SCHEDULE II OF EXHIBIT 4
TTM EBITDA CALCULATIONS**

[SCHEDULE HAS BEEN REDACTED]

EXHIBIT 5
FORM OF CREDIT CARD NOTIFICATION

CREDIT CARD NOTIFICATION

PREPARE ON BORROWER/CORPORATE CREDIT PARTY LETTERHEAD - ONE FOR EACH PROCESSOR

[●], 20[●]

TO: [Name and Address of Credit Card Processor] (the "Processor")

RE: [Name of Corporate Credit Party] (the "Company") Merchant Account Number: [●]

Dear Sir/Madam:

Under various agreements between and among the PesoRama Inc., the Company, certain of their affiliates, Third Eye Capital Corporation, with offices at Bay Wellington Tower, 181 Bay Street, Suite 2830, Toronto, Ontario, Canada M5J 2T3, as administrative agent (the "**Agent**") for a certain lenders and other secured creditors (the "**Secured Creditors**"), the Company has granted to the Agent, for its own benefit and the benefit of the other Secured Creditors, a security interest in and to certain of the Company's assets, including, without limitation, all inventory, accounts, general intangibles and all amounts due or to become due from the Processor to the Company.

Under such agreements, the Company is obligated to provide a security interest in all proceeds of the Company's accounts, accounts receivable, and inventory to the Agent. Such proceeds include all payments with respect to credit card charges (the "**Charges**") submitted by the Company to the Processor for processing and the amounts which the Processor owes to the Company on account thereof (the "**Credit Card Proceeds**").

1. Until the Processor receives written notification from an officer of the Agent to the contrary, all amounts as may become due from time to time from the Processor to the Company shall continue to be transferred only as follows:

(a) By ACH, Depository Transfer Check, or Electronic Depository Transfer to:

[●]

ABA # [●]

Account No. [●]

Re: [●]

or

(b) As the Processor may be instructed from time to time in writing by an officer of the Agent.

2. Upon request of the Agent, a copy of each periodic statement provided by the Processor to the Company should be provided to the Agent at the following address (which address may be changed upon seven (7) days' written notice given to the Processor by the Agent):

Third Eye Capital Corporation
Bay Wellington Tower
181 Bay Street, Suite 2830
Toronto ON M5J 2T3

Attention: Operations
Email: **[REDACTED]**
Re: PesoRama Inc.

3. The Processor shall be fully protected in acting on any order or direction by the Agent respecting the Charges and the Credit Card Proceeds without making any inquiry whatsoever as to the Agent's right or authority to give such order or direction or as to the application of any payment made pursuant thereto.

This letter may be amended only by the written agreement of the Processor, the Company, and an officer of the Agent and may be terminated solely by written notice signed by an officer of the Agent. This letter shall be governed by, and construed in accordance with, the law of the Province of Ontario and the federal laws of Canada applicable therein. Delivery of an executed counterpart of a signature page of this letter by telecopy, pdf or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this letter.

[Remainder of Page Left Intentionally Blank]

Very truly yours,

[NAME OF CORPORATE CREDIT PARTY], as the Company

By: _____
Name:
Title:

By: _____
Name:
Title:

cc: Third Eye Capital Corporation, as Agent

EXHIBIT 6
FORM OF WEEKLY SALES DASHBOARD REPORT

[SALES DASHBOARD REPORT HAS BEEN REDACTED]