

CREDIT AGREEMENT

dated as of November 27, 2008

among

COSSETTE COMMUNICATION GROUP INC.

and

COSSETTE COMMUNICATION INC.

as Borrowers

**THE FINANCIAL INSTITUTIONS NAMED
ON THE SIGNATURE PAGES HEREOF**

as Initial Lenders

BANK OF MONTREAL

as Administrative Agent

BANK OF MONTREAL

as Arranger

**C\$90,000,000 Revolving Operating Credit Facility
C\$6,000,000 Treasury Line**



BORDEN LADNER GERVAIS LLP

MONTREAL, QUÉBEC

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CREDIT AGREEMENT

THIS AGREEMENT DATED AS OF NOVEMBER 27, 2008.

AMONG: **COSSETTE COMMUNICATION GROUP INC.**, a company incorporated and existing under Part 1A of the *Companies Act* (Quebec)

(hereinafter defined as "**Cossette Group**")

AND: **COSSETTE COMMUNICATION INC.**, a corporation incorporated under the *Canada Business Corporations Act*

(hereinafter defined as "**CCI**")

AND: **EACH OF THE GUARANTORS IDENTIFIED ON SCHEDULE 1.1.100**

(hereinafter defined as the "**Guarantors**")

AND: **EACH OF THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES HEREOF**

(hereinafter defined individually as a "**Lender**" and collectively as the "**Lenders**")

AND: **BANK OF MONTREAL**

(hereinafter defined as the "**Agent**")

WHEREAS the Borrowers have requested the Lenders, individually, and not solidarily or jointly and severally, to make a committed revolving operating credit facility available to the Borrowers of up to NINETY MILLION CDOLLARS (C\$90,000,000) and a treasury line of up to SIX MILLION CDOLLARS (C\$6,000,000), all on the terms and conditions set forth in this Agreement; and

WHEREAS the Lenders have agreed to provide their respective Commitments to the Borrowers, subject to the terms, conditions and limitations set forth in this Agreement;

THEREFORE, IN CONSIDERATION OF THE PREMISES, THE MUTUAL COVENANTS CONTAINED HEREIN AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

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

- 1.1.1 **"Acceptance"** - means the acceptance by a Lender of any Bankers' Acceptance pursuant to Section 7.1 and a BA Equivalent Advance pursuant to Section 7.3, including by way of Conversion Advances pursuant to Section 3.8 or renewal pursuant to Section 7.2.
- 1.1.2 **"Acceptance Fee"** - means the fee payable at the time of the Acceptance of any Bankers' Acceptance established by multiplying the face amount of such Bankers' Acceptance by the Applicable Margin at the time of Acceptance and by multiplying the product so obtained by a fraction having a numerator equal to the number of days in the term of such Bankers' Acceptance and a denominator of 365 (or 366 in a leap year).
- 1.1.3 **"Administrative Agent"** has the same meaning as Agent.
- 1.1.4 **"Advance"** - means a Facility A Advance (including a Swingline Advance) or a Facility B Advance.
- 1.1.5 **"Affiliate"** - shall have the meaning ascribed to such term in the Provisions.
- 1.1.6 **"Agent"** - means BMO or the administrative agent in office at such time pursuant to Section 7.1 of the Provisions and shall include, where the context so requires, the Attorney.
- 1.1.7 **"Agreement"** - means this agreement as it may be amended, supplemented or restated from time to time.
- 1.1.8 **"Applicable Accounting Principles"** - means:
 - (a) for the Borrowers and any other Obligor incorporated under the federal laws of Canada or the laws of a province thereof, Canadian GAAP;

- (b) for any Obligor organized under the laws of the United States, US GAAP;
- (c) for any Obligor incorporated in England and Wales, accounting principles and practices generally accepted in the United Kingdom and approved by the Institute of Chartered Accountants of England and Wales or other applicable authority; and
- (d) for any other Obligor, accounting principles and practices generally accepted in the country in which such member is incorporated and approved by the relevant local accounting standards board or other applicable authority consistently applied.

1.1.9 **“Applicable Law”** – shall have the meaning ascribed to such term in the Provisions.

1.1.10 **“Applicable Margin”** - means the fees and rates set forth in **Schedule 1.1.10**, provided that:

1.1.10.1.1 notwithstanding the various levels of the Senior Debt to EBITDA ratio provided for in Schedule 1.1.10, the Borrowers shall not permit the ratio of its Senior Debt to EBITDA to exceed at any time the applicable level provided for in Section 11.2.1;

1.1.10.1.2 subject to Section 1.1.10.1.4, each Applicable Margin described above shall be determined quarterly on the basis of the consolidated Senior Debt to EBITDA ratio for the last four completed financial quarters of Cossette Group, determined in accordance with Applicable Accounting Principles and under the terms of this Agreement and as set out in the latest consolidated financial statements of Cossette Group and related Compliance Certificate regularly submitted to the Agent in accordance with Section 11.1.2 of this Agreement and each such Applicable Margin shall only become applicable with effect from and including the first day of the month following the date on which such financial statements and Compliance Certificate together with the other financial statements hereunder required to be delivered to the Agent are submitted to, and approved by, the Agent pursuant to Section 11.1.2.

1.1.10.1.3 if the Obligors fail to furnish to the Agent the financial statements of the Borrowers and the other Obligors and related Compliance Certificate on a timely basis in accordance with Section 11.1.2, the Applicable Margin shall be deemed to be established on the basis of a Senior Debt to EBITDA ratio being greater than 2.50:1 during the period while such default exists and thereafter up to the first day of the month following the date on which such financial statements and Compliance Certificate are submitted to, and approved by, the Agent pursuant to Section 11.1.2;

1.1.10.1.4 the Applicable Margin for the period commencing on the date of execution of this Agreement until the first day of the month following the date on which the consolidated financial statements of Cossette Group and its Subsidiaries for their fiscal quarters ended December 31, 2008 and the related Compliance Certificate are submitted to, and approved by, the Agent in accordance with Section 11.1.2, shall be deemed to be established on the basis of a Senior Debt to EBITDA ratio of greater than 1.25:1 and less than or equal to 2.00:1; and

1.1.10.1.5 with respect to Borrowings which are outstanding on any date upon which an increased or reduced Applicable Margin comes into effect, the Borrowers and each Lender through the Agent shall make, in respect of the period after such date, all appropriate adjustment payments between them to reflect such change, including adjustments to reflect an increase or decrease in an Acceptance Fee which has already been paid.

1.1.11 **“Applicable Percentage”** – shall have the meaning ascribed to such term in the Provisions.

1.1.12 **“Arm’s Length”** - has the meaning ascribed thereto for the purposes of the *Income Tax Act* (Canada), as in effect as of the date of this Agreement.

1.1.13 **“Asset Disposition”** – means, with respect to any Person, any transaction in which such Person sells, conveys, transfers, leases (as lessor) or otherwise disposes of any of its movable or personal property, immovable or real property, plant, equipment or shares in the Capital Stock of any of its Subsidiaries, other than sales of inventory in the ordinary course.

- 1.1.14 “**Assets**” – of a Person means all present and future property, rights and assets, real and personal, movable and immovable, tangible and intangible of such Person of whatever nature and wheresoever situated.
- 1.1.15 “**Attorney**” – means the *fondé de pouvoir* appointed pursuant to Article 2692 of the *Civil Code of Québec* and referred to in Section 15.1, and includes its successors and assigns in such capacity.
- 1.1.16 “**Auditors**” – means a national firm of chartered accountants of recognized standing which acts as the auditors of Cossette Group and its Subsidiaries.
- 1.1.17 “**BA Equivalent Advance**” - means an Advance contemplated as such in Section 7.3.
- 1.1.18 “**BA Equivalent Interest Period**” – shall have the meaning ascribed to such term in Section 7.3.
- 1.1.19 “**Bankers’ Acceptance**” - means a non-interest bearing draft drawn by a Borrower in CDollars in the form of either a depository bill subject to the *Depository Bills and Notes Act* (Canada) (the “**DBNA**”) or a non-interest bearing bill of exchange, as defined in the *Bills of Exchange Act* (Canada), in either case issued by a Borrower which has been accepted, and, if applicable, purchased by a Lender at the request of such Borrower pursuant to Section 7.4.
- 1.1.20 “**Banking Day**” - means a day, other than a Saturday or a Sunday, on which banking institutions in Montreal and Toronto, Canada, are generally open for business.
- 1.1.21 “**Bank Product**” - means the MasterCard Facility and any of the following products, services or facilities extended from time to time to Cossette Group or any Subsidiary of Cossette Group by a Lender or any of its Affiliates, provided that such other products, services or facilities have been approved by the Agent in writing: (a) Cash Management Services; (b) commercial credit card and merchant card services; and (c) other banking products or services as may be requested by Cossette Group or its Subsidiaries.
- 1.1.22 “**Bank Product Debt**” means Indebtedness and other obligations of Cossette Group and its Subsidiaries relating to Bank Products.
- 1.1.23 “**Base Rate Loans**” – shall have the same meaning as US Base Rate Loans.
- 1.1.24 “**Benefit Plan**” means any employee pension benefit plan that is or has during the last five years been covered by Title IV of ERISA or subject to the

funding standards under ERISA or the Internal Revenue Code and (i) that is either maintained by a Person or a member of the Controlled Group for employees of a Person or a member of the Controlled Group, or (ii) to which a Person or Controlled Group member is obligated by reason of law or agreement.

- 1.1.25 **"BMO"** means Bank of Montreal and its successors and permitted assigns.
- 1.1.26 **"Borrowers"** – means collectively Cossette Group and CCI on a solidary basis, and includes any of their successors and permitted assigns, and **"Borrower"** means either of them.
- 1.1.27 **"Borrowing"** - means a utilization by a Borrower of the Credit by way of Advances from the Lenders.
- 1.1.28 **"Business Day"** - means a Banking Day which is also a day on which dealings in USDollars, £ and € may be carried on by and between banks in the London interbank market and in the Brussels European Interbank Market, as well as in Chicago and New York, U.S.A.
- 1.1.29 **"Canadian Benefit Plan"** means any employee benefit plan maintained or contributed to by any Obligor in virtue of a legal obligation to maintain or contribute to such a plan that is not a pension plan accepted for registration under the ITA or other applicable pension benefits or tax laws of Canada or a province or territory thereof including, without limitation, all profit-sharing, savings, supplemental retirement, retiring allowance, severance, deferred compensation, welfare, bonus, supplementary unemployment benefit plans or arrangements and all life, health, dental and disability plans and arrangements in which the employees or former employees of any Obligor employed in Canada participate or are eligible to participate, but excluding all stock option or stock purchase plans.
- 1.1.30 **"Canadian GAAP"** – means generally accepted accounting principles as in effect from time to time in Canada, applicable to the relevant period, applied in a consistent manner from period to period.
- 1.1.31 **"Canadian Pension Plan"** means any plan, program, arrangement or understanding that is a pension plan for the purpose of any applicable pension benefits or tax laws of Canada or a province or territory thereof (whether or not registered under any such laws) which is maintained, administered or contributed to by (in virtue of a legal obligation to maintain, administer or contribute to such a plan, program, arrangement or understanding) any Obligor in respect of any person's employment in Canada or a province or territory thereof with any Obligor, all related funding agreements and all

related agreements, arrangement and understandings in respect of, or related to, any benefits to be provided thereunder or the effect thereof on any other compensation or remuneration of any employee.

- 1.1.32 **“Canadian Rate”** - means, at any time the aggregate of (a) the rate of interest per annum equal to the higher of (i) the fluctuating annual rate of interest established by the Agent as the reference rate of interest it will use at such time to determine interest rates for loans in Canadian dollars to its Canadian commercial borrowers in Canada and designated as its prime rate; and (ii) the annual rate of interest established by the Agent to be the discount rate, calculated on the basis of a year of 365 days, of the Agent established in accordance with its normal practice as at or about 10:00 a.m. (Montreal time) on such day in respect to bankers’ acceptances outstanding for 30 days accepted by it, plus 1.0% per annum plus, (b) the Applicable Margin; in each case adjusted automatically with each change in such rate or the Applicable Margin, all without the necessity of any notice to the Borrowers or any other Person.
- 1.1.33 **“Canadian Rate Advance”** - means an Advance in CDollars to which the Canadian Rate is applicable.
- 1.1.34 **“Canadian Rate Loan”** - means at any given time during the term of this Agreement the Loan, or that portion of the Loan, which a Borrower has elected or is deemed to have elected to denominate in CDollars and upon which interest is payable at the Canadian Rate.
- 1.1.35 **“Capital Expenditures”** – means, with respect to any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including expenditures for Capital Lease Obligations) incurred by Cossette Group and its Subsidiaries (net of trade-ins and proceeds of Asset Disposition) during such period which in conformity with Applicable Accounting Principles are included in or reflected by **“capital expenditures”, “additions to property, plant or equipment”** or comparable items (or in intangible accounts subject to amortization) in the consolidated statement of cash flows of Cossette Group for such period.
- 1.1.36 **“Capital Lease Obligations”** - shall mean, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) immovable or real property or movable or personal property, which obligations are required to be classified and accounted for as a capital lease on a consolidated balance sheet of such Person under Applicable Accounting Principles and, for purposes of this Agreement,

the amount of such obligations shall be the capitalized amount thereof, determined in accordance with Applicable Accounting Principles.

- 1.1.37 **"Capital Stock"** – means any and all shares or other equivalents (however designated) of capital stock of a corporation, and any and all equivalent or similar ownership interests (including, for greater certainty, partnership interests) in a Person (other than a corporation) and any and all warrants or options or other arrangements to purchase any of the foregoing.
- 1.1.38 **"Capitalization"** – means, on any day, with respect to Cossette Group on a consolidated basis, the sum of Total Debt plus Shareholders Equity on such day.
- 1.1.39 **"Cash Interest Expense"** – means for any period, the total, on a consolidated basis, of (a) all items properly classified as interest expense on both short and long term debt of Cossette Group in accordance with Applicable Accounting Principles, (b) the imputed interest component for any other element of debt of Cossette Group at such time (such as capital leases), and (c) to the extent not included in the foregoing, the aggregate amount of any discount on the issuance of Bankers' Acceptances, commitment fees and Letter of Credit Commissions paid under this Agreement, excluding however any portion of the foregoing amounts not payable in cash during such period.
- 1.1.40 **"Cash Management Services"** means any services provided from time to time by a Lender or any of its Affiliates to Cossette Group or any Subsidiaries of Cossette Group in connection with operating, collections, payroll, trust, or other depository or disbursement accounts, including automatic clearinghouse, controlled disbursements, depository, electronic funds transfer, information reporting, lockbox, stop payment, overdraft and/or wire transfer services.
- 1.1.41 **"CDollar Current Account"** – means, with respect to Cossette Group, the CDollar Account No. 1056-567 (transit 0158) and, with respect to CCI, the CDollar Account No. 1057-105 (transit 0158), both at Bank of Montreal, 2005 Peel, Montreal, Quebec, H3A 1T7, or such other CDollar accounts at Bank of Montreal in Canada as the Borrowers may from time to time designate in writing to the Agent.
- 1.1.42 **"CDollars"** and the symbol **"C\$"** each means lawful money of Canada.
- 1.1.43 **"CDOR Rate"** – means, on any day, the annual rate of interest which is the rate determined by the Agent as being the arithmetic average (rounded upwards, if necessary, to the nearest 0.01%) of the rates applicable to CDollar bankers' acceptances having identical issue and comparable maturity dates as the Bankers' Acceptances proposed to be issued by a Borrower displayed and

identified as such on the display referred to as the "CDOR Page" (or any display substituted therefor) of Reuter Monitor Money Rates Services as at approximately 10:00 a.m. (Montreal time) on such day, or if such day is not a Banking Day, then on the immediately preceding Banking Day (as adjusted by the Agent in good faith after 10:00 a.m. (Montreal time) to reflect any error in a posted rate of interest); provided, however, if such a rate does not appear on such CDOR Page, then the CDOR Rate, on any day, shall be the discount rate quoted by the Agent (determined as of 10:00 a.m. (Montreal time) on such day) which would be applicable in respect of an issue of bankers' acceptances in a comparable amount and with comparable maturity dates to the Bankers' Acceptances proposed to be issued by a Borrower on such day, or if such day is not a Banking Day, then on the immediately preceding Banking Day.

- 1.1.44 **"Collateral"** – means all Assets of the Borrowers and of the Material Domestic Subsidiaries or any other Person encumbered by the Security Documents together with all proceeds of the foregoing.
- 1.1.45 **"Commitment"** - in relation to a Lender means at any time the Facility A Commitment of such Lender at such time.
- 1.1.46 **"Compliance Certificate"** – means a certificate of a Responsible Officer of Cossette Group delivered pursuant to Section 11.1.2.5.
- 1.1.47 **"Control"** – shall have the meaning ascribed to such term in the Provisions.
- 1.1.48 **"Controlled Group"** means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with Cossette Group, are treated as a single employer under Section 414 of the Internal Revenue Code.
- 1.1.49 **"Conversion Advance"** and **"Converted Advance"** - shall each have the respective meaning ascribed to such terms in Section 3.8.
- 1.1.50 **"Conversion Date"** - means a day which a Borrower has notified the Agent in a Notice of Conversion as the date on which such Borrower will convert Borrowings under the Facility A Credit, or a portion thereof, in accordance with Section 3.8.
- 1.1.51 **"Counter-party"** – means, at any time and in respect of any Hedging Agreement, the counter-party of a Borrower under such Hedging Agreement at such time.
- 1.1.52 **"Credit"** - means the collective reference to the Facility A Credit and the Facility B Credit.

- 1.1.53 **"DBNA"** – shall have the meaning ascribed to such term in the definition of Bankers' Acceptance herein.
- 1.1.54 **"Debt Service"** – means, in respect of any period and without duplication, the aggregate of the Cossette Group's consolidated payments of scheduled principal on Senior Debt (excluding, for greater certainty, repayments of Bankers' Acceptances pursuant to the provisions of this Agreement) made during such period, plus Cash Interest Expense for such period, plus all payments in respect of Capital Lease Obligations during such period, plus all scheduled payments under any of the foregoing (including rent paid).
- 1.1.55 **"Default"** – means any event or circumstance which constitutes an Event of Default or which, with the giving of notice or lapse of time or both, would constitute an Event of Default unless cured or waived.
- 1.1.56 **"Discount Rate"** – means, with respect to Bankers' Acceptances issued pursuant to this Agreement and having the same date of issue and the same maturity date, the annual rate which is (a) for Lenders which are Schedule I Canadian chartered banks, the CDOR Rate determined by the Agent as the CDOR Rate for bankers' acceptances outstanding for the period of such Bankers' Acceptances on the date of issue of such Bankers' Acceptances, and (b) for Lenders which are not Schedule I Canadian chartered banks, the CDOR Rate determined by the Agent as the CDOR Rate for bankers' acceptances outstanding for the period of such Bankers' Acceptances on the date of issue of such Bankers' Acceptances, plus 0.10%.
- 1.1.57 **"Discounted Proceeds"** - means, in respect of any Bankers' Acceptance to be accepted and purchased by a Lender hereunder on any day, an amount (rounded to the nearest whole cent, and with one-half of one cent being rounded up) calculated on such day by multiplying (i) the face amount of such Bankers' Acceptance by (ii) the price (rounded up or down to the fifth decimal place with 0.000005 being rounded up), where the price is determined by dividing one by the sum of one plus the product of (A) the Discount Rate (expressed as a decimal) and (B) a fraction, the numerator of which is the number of days in the term of such Bankers' Acceptance and the denominator of which is 365.
- 1.1.58 **"Distribution"** means, for any Person, any payment with respect to or on account of any of such Person's Capital Stock, including (a) any dividend or other distribution on and any payment of interest on or principal of any such Capital Stock, (b) any payment by such Person on account of any purchase, redemption, retirement, exchange, defeasance or conversion of, or on account of any claim relating to or arising out of the offer, sale or purchase by such Person of, its Capital Stock, (c) any return of capital to the holders of Capital

Stock of such Person or (d) any other distribution, payment or delivery of property or cash to the holders of Capital Stock of such Person as such (including management fees and royalties) where such distribution, payment or delivery is made to such Person in consideration of it being a holder of Capital Stock of such Person (including those of the nature described at the end of Section 11.3.17). For the purposes of this definition, a "payment" shall include the transfer of any asset or the incurrence of any indebtedness or other liability (the amount of any such payment to be the fair market value of such asset or the amount of such obligation, respectively) but shall not include the issuance of any Capital Stock of such Person;

- 1.1.59 **"Drawdown Date"** - means (i) a day which a Borrower has notified the Agent in a Notice of Borrowing as the date on which such Borrower requests an Advance in accordance with Section 3.2, (ii) a day on which the Swingline Lender makes a Swingline Advance, or (iii) a day on which a Borrower has requested the issuance of a Letter of Credit in accordance with Section 8.7 or (iv) a day on which a Borrower has requested the Lead Swap Arranger to enter into a Permitted Hedging Agreement.
- 1.1.60 **"EBITDA"** - means, with respect to Cossette Group and any Person acquired by Cossette Group during such period, on a consolidated basis for any given period (except as provided herein), its net earnings (a) increased by (without duplication) to the extent deducted in computing such net earnings, in such period, (1) unusual or extraordinary losses (including losses resulting from Asset Dispositions and non-recurring losses), (2) net total interest expense (including interest on Fully Subordinated Debt), (3) income tax expense (including deferred taxes), (4) depreciation and amortization expense, (5) non cash losses on currency exchange on debt, (6) earnings of any Subsidiary acquired during such period, and (b) decreased by (without duplication), to the extent added in computing such net earnings in such period, (1) unusual or extraordinary gains (including gains resulting from Asset Dispositions and non-recurring gains); (2) non cash gains on currency exchange on debt; and (3) earnings of any Subsidiary sold during such period; the whole calculated to the satisfaction of the Agent.
- 1.1.61 **"EBITDAR"** - means, with respect to Cossette Group, on a consolidated basis for any given period, the aggregate total of EBITDA and all rental payments due during such period.
- 1.1.62 **"Eligible Assignee"** - shall have the meaning ascribed to such term in the Provisions.

- 1.1.63 **“Environmental Activity”** - means any activity, event or circumstances in respect of a Hazardous Material, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release, escape, leaching, dispersal or migration into the natural environment, including the movement through or in the air, land surface or subsurface strata, surface water or groundwater.
- 1.1.64 **“Environmental Claims”** – means any and all material administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations or proceedings relating in any way to any Environmental Law or any Environmental Permit (hereinafter in this definition, **“Claims”**) including without limitation:
- 1.1.64.1 any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and
- 1.1.64.2 any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief in connection with Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.
- 1.1.65 **“Environmental Laws”** - means any and all Applicable Laws relating to pollution or protection of human health or the environment or any Environmental Activity.
- 1.1.66 **“Environmental Permits”** – means all permits, licenses, written authorizations, certificates, approvals or registrations required by any Governmental Authority under any Environmental Laws.
- 1.1.67 **“Equivalent Amount”** - means, on any date, the amount in CDollars, USDollars, £ or €, as the case may be (the **“Currency”**), which would be obtained on the conversion of an amount in any other currency into the Currency, at the Bank of Canada noon spot rate for the purchase of the Currency with such other currency, as quoted or published or otherwise made available by the Bank of Canada on such date.
- 1.1.68 **“ERISA”** means the *Employee Retirement Income Security Act of 1974* of the United States of America, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

1.1.69 **“ERISA Affiliate”** means any Person that is a member of the Controlled Group of Cossette Group or any Subsidiary thereof, within the meaning of Section 414 of the Internal Revenue Code or ERISA.

1.1.70 **“ERISA Event”** means:

- 1.1.70.1 (i) the occurrence of a Reportable Event, within the meaning of Section 4043 of ERISA; or
- (ii) the requirements of subsection (1) of Section 4043(b) of ERISA (without regard to subsection (2) of such Section) are met with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days;
- 1.1.70.2 the application for a minimum funding waiver with respect to a Plan;
- 1.1.70.3 the provision by the administrator of any Plan of a notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA);
- 1.1.70.4 the cessation of operations at a facility of any Obligor or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA;
- 1.1.70.5 the withdrawal by any Obligor or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA;
- 1.1.70.6 the conditions for imposition of a lien under Section 302(f) of ERISA shall have been met with respect to any Plan;
- 1.1.70.7 the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA;
- 1.1.70.8 the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, such Plan; or

- 1.1.70.9 the occurrence of any event with respect to any Plan which would result in the occurrence by Cossette Group or any ERISA Affiliate of any material liability, fine or penalty, or any material increase in the contingent liability of Cossette Group or any ERISA Affiliate with respect to any post-retirement welfare plan benefit.
- 1.1.71 **“Euribor”** – means, with respect to a Euribor Loan Portion during the relevant Interest Period applicable to a Euribor Loan, the interest rate per annum as determined by the Agent, as a percentage (rounded up to the nearest 1/16th), which appears for such Interest Period on Reuters Page Euribor 01 as of 11:00 a.m., Brussels (Belgium) time on the second Business Day prior to the date of such Euribor Loan. If such rate is not available on such day, **“Euribor”** means, for the Interest Period, the interest rate per annum, as a percentage (rounded to the nearest 1/16th), which the Agent, in accordance with its normal practice, would be prepared to offer to leading banks in the European Interbank Market, for delivery on the first day of the Interest Period and for such Interest Period deposits in Euros of comparable amounts to such of the Euribor Loan, at or about 11:00 a.m., Brussels (Belgium) time on the second Business Day prior to the date of such Euribor Loan.
- 1.1.72 **“Euribor Advance”** – means an Advance in € to which Euribor is applicable pursuant to Section 3.2.
- 1.1.73 **“Euribor Loan Portion”** – means the amount of the Euribor Loan in respect of which a Borrower has or the Borrowers have selected an Interest Period or Interest Periods commencing on the same date and having the same duration.
- 1.1.74 **“Euribor Loan”** – means at any given time during the term of this Agreement the Loan, or that portion of the Loan, which a Borrower has elected, in accordance with this Agreement, to denominate in € and upon which interest is payable at Euribor.
- 1.1.75 **“Euro”** and **“€”** – means the single currency, denominated in Euro decimal or legacy currency units, of the Member States of the European Union that have adopted or have agreed to adopt such single currency as their currency in accordance with legislation of the European Union relating to European Economic and Monetary Union.
- 1.1.76 **“Event of Default”** - means any of the events specified in Section 13.1.
- 1.1.77 **“Excluded Taxes”** – shall have the meaning ascribed to such term in the Provisions.

- 1.1.78 **“Existing Indebtedness”** - means the Total Debt of any Obligor existing on the date hereof and described in **Schedule 2.1.27**, other than the Indebtedness of the Obligors permitted pursuant to the provisions of subsection 11.3.1.
- 1.1.79 **“Existing Letter of Credit”** – means the Letters of Credit described in **Schedule 1.1.79**.
- 1.1.80 **“Facility A Advance”** – means (a) a direct advance by a Lender to a Borrower by way of Canadian Rate Advance, US Base Rate Advance, Libor Advance or Euribor Advance pursuant to Section 3.2, (b) the Acceptance of Bankers’ Acceptances pursuant to Section 7.1 and BA Equivalent Advances pursuant to Section 7.3, (c) the issuance (or deemed issuance) of a Letter of Credit pursuant to ARTICLE 8, and (d) unless the context otherwise requires, a Swingline Advance.
- 1.1.81 **“Facility A Available Commitment”** – means at any time, with respect to all the Lenders, the amount at such time of the Facility A Total Commitment less the amount of the Facility A Loan and the Swingline Loan; and in respect to any one Lender, the amount of the Facility A Available Commitment multiplied by the Facility A Participation of such Lender but subject to any adjustment required pursuant to Section 3.10 to prevent the Facility A Participation of the Swingline Lender in the Facility A Loan from exceeding its Facility A Commitment.
- 1.1.82 **“Facility A Availability Period”** – means the period initially of three (3) years commencing on the date of this Agreement and ending on the third anniversary date of the Agreement or, if extended pursuant to Section 3.9, the date determined in accordance with Section 3.9.
- 1.1.83 **“Facility A Commitment”** – in relation to a Lender means at any time the aggregate amount set opposite its name in **Schedule 1.1.45** in respect of Facility A Commitment less any amount by which it has been cancelled, terminated or reduced in accordance with this Agreement, as it may be adjusted pro rata or otherwise further to an assignment or otherwise.
- 1.1.84 **“Facility A Credit”** – means the committed revolving operating credit facility in the maximum amount of NINETY MILLION CDOLLARS (C\$90,000,000), which the Lenders will make available to the Borrower pursuant to, and in accordance with the terms of, ARTICLE 3 and the other provisions of this Agreement.
- 1.1.85 **“Facility A Loan”** – means the aggregate amount of (a) the amount of all Facility A Advances, including Conversion Advances, outstanding at such

time in CDollars by way of Canadian Rate Loan, plus (b) to the extent not included in paragraph (a) of this Section 1.1.85, the face amount of all Banker's Acceptances which have been accepted by a Lender under the Facility A Credit, prior to their respective maturity dates, plus (c) the Equivalent Amount in CDollars of the aggregate amount in USDollars, £ and € outstanding by way of US Base Rate Loan, Libor Loan and Euribor Loan under Facility A Credit, plus (d) the Letter of Credit Exposure at such time.

- 1.1.86 **"Facility A Maturity Date"** – shall mean the Facility A Termination Date.
- 1.1.87 **"Facility A Participation"** – of a Lender means the percentage of the Facility A Total Commitment indicated opposite its name in **Schedule 1.1.45** with respect to Facility A, as it may be adjusted pro rata or otherwise further to an assignment or otherwise or, as the context requires, the amount of such Facility A Participation in any Facility A Advance or in any repayment thereof. For the purpose of the calculation set forth in Section 3.10.2, the Facility A Participation of the Swingline Lender shall be deemed to include the Swingline Limit.
- 1.1.88 **"Facility A Termination Date"** – means, at any time, the last day of the then current Facility A Availability Period.
- 1.1.89 **"Facility A Total Commitment"** – means at any time the aggregate of the Facility A Commitments of all the Lenders, less any amount by which it shall have been cancelled, terminated or reduced pursuant to this Agreement. For the purpose of the calculation set forth in Section 3.10.2, the Facility A Total Commitment shall be deemed to include the Swingline Limit.
- 1.1.90 **"Facility B Advance"** – means the entering into a Permitted Hedging Agreement by a Borrower with or the Lead Swap Arranger or the Lenders pursuant to Facility B Credit.
- 1.1.91 **"Facility B Credit"** – means the hedging facility in the authorized maximum amount of C\$6,000,000 made available to the Borrowers pursuant to the provisions of ARTICLE 4.
- 1.1.92 **"Facility B Termination Date"** – means the Facility A Maturity Date or such other later date as may be approved by the Lenders.
- 1.1.93 **"Fee Letter"** – means that certain fee letter issued by BMO and accepted by the Borrowers on or about the date hereof, as it may be amended, supplemented or restated from time to time.

- 1.1.94 **"Financial Close"** – means the date on which this Agreement has been executed and all conditions set forth in Section 10.1 shall have been completed to the satisfaction of the Agent, the Lenders and Lenders' Counsel.
- 1.1.95 **"Fixed Charge Coverage"** – means, at any time in respect of any period, the ratio of (a) EBITDAR for such period less current income tax expense (as set forth in the most recent consolidated financial statements of Cossette Group) during such period and less unfinanced Capital Expenditures paid or incurred during such period, to (b) Debt Service.
- 1.1.96 **"Fully Subordinated Debt"** – means, in respect of any Person, debts and liabilities of such Person to the extent that the repayment of such debts and liabilities (in principal, interest (including payment of interest in cash), costs and premiums), the recourses of the holder thereof with respect to such debts and liabilities and the security therefor have been fully and entirely postponed and subordinated to the satisfaction of the Lenders to the full and indefeasible payment of the Obligations and to all security for such Obligations, including in a manner such that no payments, in cash, in kind or otherwise, of interest or principal shall be permitted until the full and indefeasible payment of the Obligations.
- 1.1.97 **"Fx Agreement"** means each Hedging Agreement entered into between a Borrower and the Lead Swap Arranger or the Lenders for the purpose of hedging currency risk incurred by such Borrower in the normal course of its business and not for speculation purposes, the whole in form, substance and content acceptable to the Lead Swap Arranger and the relevant Lenders.
- 1.1.98 **"Governmental Authority"** - shall have the meaning ascribed to such term in the Provisions.
- 1.1.99 **"Guarantees"** - means, with respect to any Person, any debt of another Person which such guaranteeing Person has guaranteed or in respect of which such guaranteeing Person is liable, contingently or otherwise, (excluding customary product warranties or similar warranties extended by such Person in the normal course of its business) including, without limitation, liable by way of agreement to purchase property or services which amounts to indirectly guaranteeing such other Person's obligations, to provide funds for payment, to supply funds to or otherwise invest in or lend to such other Person, or otherwise to assure a creditor of such other Person against loss, other than endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation and the

maximum amount for which such guaranteeing Person may be liable are not stated or determinable, in which case the amount of such Guarantee shall be such guaranteeing Person's maximum reasonably anticipated liability in respect thereof as determined by the Agent, in good faith.

1.1.100 **"Guarantors"** - means collectively (i) each Person named on **Schedule 1.1.100**, (ii) each other Person who shall become a Guarantor in accordance with the provisions of this Agreement, and (iii) any successor of any Guarantor and including any corporation resulting from the amalgamation of a corporate Guarantor with any Person.

1.1.101 **"Hazardous Materials"** – means:

1.1.101.1 any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contains dielectric fluid containing levels of polychlorinated biphenyls, and radon gas;

1.1.101.2 any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous waste", "hazardous materials", "extremely hazardous waste", "restricted hazardous waste", "toxic substances", "toxic pollutants", "contaminants", or "pollutants", or words of similar import, under any applicable Environmental Law, and

1.1.101.3 any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority;

1.1.102 **"Hedging Agreement"** - means any currency or interest rate swap agreement, spot, future, forward or other foreign exchange arrangement, rate cap, rate floor or forward rate agreement or other rate protection transaction, repurchase or reverse repurchase agreement, or any derivative, combination or option in respect of, or agreement similar to, any of the foregoing.

1.1.103 **"Hedging Agreement Risk"** - means at any time the aggregate net negative Mark-to-Market Value of all outstanding Hedging Agreements to which either Borrower is a party, net of any positive Mark-to-Market Value that would be payable to the Borrowers by the Lead Swap Arranger or any Lender under Permitted Hedging Agreements on a Counter-party by Counter-party basis and not on a global basis.

1.1.104 **"Indebtedness"** – means in respect of any Obligor, without duplication (in each case, whether such obligation is with full or limited recourse):

- 1.1.104.1 any obligation of such Obligor for borrowed money;
 - 1.1.104.2 any obligation of such Obligor evidenced by a bond, debenture, note or other similar instrument;
 - 1.1.104.3 any obligation of such Obligor to pay the deferred purchase price of property or services, including without limitation any account payables;
 - 1.1.104.4 Capital Lease Obligations of such Obligor;
 - 1.1.104.5 any obligation of such Obligor to reimburse any other Person in respect of amounts drawn or drawable under any letter of credit or other guarantee or under any bankers' or trade acceptance issued or accepted by such other Person, whether contingent or non-contingent;
 - 1.1.104.6 all obligations of such Obligor to purchase, redeem, retire, decrease or otherwise make any payment in respect of any Capital Stock of or other ownership or profit interest in such Obligor or any other person, valued, in the case of redeemable preferred stock, at the greater of its voluntary liquidation preference plus accrued and unpaid dividends;
 - 1.1.104.7 any obligation of such Obligor to purchase securities or other property that arises out of or in connection with the sale of the same or substantially similar securities or property;
 - 1.1.104.8 any indebtedness of others secured by a Lien on any asset of such Obligor;
 - 1.1.104.9 any indebtedness of others guaranteed by such Obligor; and
 - 1.1.104.10 all obligations and liabilities of such Obligor in respect of "Specified Transactions" (as such term is defined in the 1992 Multicurrency – Cross Border Master Agreement published by the International Swaps and Derivatives Association, Inc.).
- 1.1.105 **"Interest Payment Date"** - means (a) in respect of the Canadian Rate Loan and the US Base Rate Loan, the last Banking Day of each and every month and the Facility A Maturity Date; and (b) in respect of the Libor Loan or Euribor Loan Portion, for each Libor Loan Portion or Euribor Loan Portion (i) the last day of each Interest Period in respect of such Libor Loan Portion or Euribor Loan Portion, and (ii) the Facility A Maturity Date.

- 1.1.106 **“Interest Period”** - for each Libor Loan Portion or Euribor Loan Portion means (a) the first period of approximately one month, two months or three months selected by a Borrower and notified to the Agent in accordance with Section 6.7, which period shall commence on the Drawdown Date or Conversion Date, as the case may be, of such Libor Loan Portion or Euribor Loan Portion, and (b) each of the successive periods of approximately one month, two months or three months in respect of such Libor Loan Portion or Euribor Loan Portion selected by a Borrower and notified to the Agent in accordance with Section 6.7, each of which shall commence on the last day of the immediately preceding Interest Period in respect of such Libor Loan Portion or Euribor Loan Portion.
- 1.1.107 **“Internal Revenue Code”** means the Internal Revenue Code of 1986 of the United States of America, as amended from time to time, and the regulations promulgated and rulings issued thereunder.
- 1.1.108 **“ISDA Master Agreement”** – means the applicable standard Master Agreement of the International Swap Dealers Association, Inc. in effect from time to time and includes all its schedules, credit support annexes and all confirmations documented pursuant thereto.
- 1.1.109 **“Issuing Bank”** – has the meaning ascribed to such term in the Provisions. On the date hereof, BMO is the Issuing Bank.
- 1.1.110 **“ITA”** – means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended, supplemented or re-enacted from time to time.
- 1.1.111 **“Lead Swap Arranger”** – means BMO and its successors and assigns.
- 1.1.112 **“Lender’s Proportionate Share”** – means in respect of each Lender at any time:
- 1.1.112.1 prior to the Agent making a declaration under Section 13.2, in the case of any determination to be made with respect to the Facility A Credit, the proportion that its Facility A Commitment at such time bears to the Facility A Total Commitment at such time;
 - 1.1.112.2 prior to the Agent making a declaration under Section 13.2, in the case of any determination to be made with respect to any other amounts to be advanced or received hereunder, the proportion that its Commitment at such time bears to the Total Commitment at such time; and

- 1.1.112.3 after the Agent makes a declaration under Section 13.2, in the case of any determination to be made hereunder, the proportion that the Obligations owing to each Lender bears to all Obligations;

and the terms “**rateable**” and “**rateably**” shall have the corresponding meanings.

- 1.1.113 “**Lenders**” - means, collectively, all of the banks and other financial institutions named as lenders on the signature pages of this Agreement and other lenders party from time to time hereto and their respective successors and Eligible Assignees and “**Lender**” means any one of them. For greater certainty, without limiting the generality of the foregoing, the term “**Lenders**” includes BMO, in its capacity as Swingline Lender and Lead Swap Arranger.
- 1.1.114 “**Lenders’ Counsel**” – means Borden Ladner Gervais LLP and, in respect of any jurisdiction other than Quebec, Ontario, Alberta and British Columbia, such other counsel in such jurisdiction as may be retained as counsel by or on behalf of the Agent and the Lenders.
- 1.1.115 “**Letter of Credit**” - means a letter of credit or guarantee denominated in CDollars, USDollars or any other currency offered by the Issuing Bank having a term as set forth in Section 8.1 and an expiry date not later than the Facility A Maturity Date, issued by the Issuing Bank in accordance with Sections 8.1 and 8.7 for the account of a Borrower (a) in which the Lenders participate pursuant to Section 8.2 and (b) which is either a commercial letter of credit, in favour of a seller of goods, for the purchase of goods in the ordinary course of an Obligor’s business, or a standby letter of credit or letter of guarantee in respect of obligations of an Obligor incurred pursuant to contracts to which such Obligor is or proposes to become a party in the ordinary course of its business or in respect of other lawful obligations of an Obligor incurred in the ordinary course of its business, excluding in each case other than for the purpose of guaranteeing obligations of any Person other than an Obligor.
- 1.1.116 “**Letter of Credit Application**” - has the meaning ascribed to it in Section 8.7.1.
- 1.1.117 “**Letter of Credit Commission**” - means the letter of credit commission payable pursuant to Section 8.9.1.
- 1.1.118 “**Letter of Credit Exposure**” - means at a particular time, the sum of (i) the undrawn and unexpired aggregate amount of all Letters of Credit outstanding in CDollars plus the Equivalent Amount in CDollars of all Letters of Credit outstanding in USDollars or any other currency and (ii) the aggregate amount

of drawings under the Letters of Credit in CDollars plus the Equivalent Amount in CDollars of drawings under the Letters of Credit in USDollars or any other currency which have not been reimbursed pursuant to Section 8.8.2.

1.1.119 **"LIBO Rate"** – shall have the same meaning as LIBOR.

1.1.120 **"LIBO Rate Loan"** – shall have the same meaning as Libor Loan.

1.1.121 **"LIBOR"** – means with respect to a Libor Loan Portion during the relevant Interest Period:

1.1.121.1 the rate per annum (expressed on the basis of a 360-day year) determined by the Agent as being the rate shown on Telerate page 3750 (as defined in the International Swaps and Derivatives Association, Inc. definitions, as modified and amended from time to time) as of 11:00 a.m. (London, England time) two Business Days before the first day of such Interest Period for deposits in the currency of such Libor Advance for a period comparable to such Interest Period, and if different rates are quoted for deposits in the currency of such Libor Advance in varying amounts, in an amount which is closest to such Libor Loan Portion; or

1.1.121.2 if for any reason the Telerate rates are unavailable to determine the rate applicable to a Libor Loan Portion, **"LIBOR"** for such Libor Loan Portion during the relevant Interest Period shall mean the rate of interest per annum (expressed on the basis of a 360-day year) determined by the Agent by reference to the rates quoted on the Reuters Monitor Screen, page LIBO (or any successor source from time to time) as being the arithmetic average (rounded upwards, if necessary, to the nearest whole multiple of 1/16th of 1%) of the rates offered in London, England by reference banks shown on such screen as of 11:00 a.m. (London, England time) two Business Days before the first day of such Interest Period to make deposits with leading banks in the London interbank eurodollar market in the currency of such Libor Advance for a period comparable to such Interest Period, and if different rates are quoted for deposits in varying amounts, in the amount which is closest to such Libor Loan Portion; or

1.1.121.3 if for any reason neither the Telerate rates nor the Reuters Monitor Screen rates are available in respect of the relevant Interest Period, **"LIBOR"** for such Libor Loan Portion during the relevant Interest Period shall mean the annual rate of interest (expressed on the

basis of a year of 360 days and rounded upwards, if necessary, to the nearest whole multiple of $1/16^{\text{th}}$ of 1%) determined by each Lender as being the rate of interest at which such Lender (in the case of Libor Loans granted by such Lender), in accordance with its normal practices, would be prepared to offer to leading banks in the London interbank eurodollar market for delivery on the first day of the relative Interest Period for a period equal to such Interest Period based on the number of days comprised therein, deposits in USDollars or £ of amounts comparable to such Libor Loan Portion to be outstanding under this Agreement during such Interest Period, at or about 11:00 a.m. (London, England time);

in each case plus the Applicable Margin.

- 1.1.122 **"Libor Advance"** - means an advance in USDollars or £ to which LIBOR is applicable pursuant to Section 3.2.
- 1.1.123 **"Libor Loan"** - means at any given time during the term of this Agreement the Loan, or that portion of the Loan, which a Borrower has elected, in accordance with this Agreement, to denominate in USDollars or £ and upon which interest is payable at LIBOR.
- 1.1.124 **"Libor Loan Portion"** - means the amount of the Libor Loan or any portion of the Libor Loan in respect of which a Borrower has selected an Interest Period or Interest Periods commencing on the same date and having the same duration.
- 1.1.125 **"Lien"** - means a mortgage, hypothec, legal hypothec, prior claim, pledge, lien, charge or encumbrance, whether fixed or floating, on, or any security interest in any property, whether immovable or real, movable or personal, or mixed, tangible or intangible or a pledge or hypothecation thereof or trust or presumed trust or any other mechanism or right benefiting the holder thereof or any conditional sale agreement or other title retention agreement or equipment trust relating thereto or any lease relating to property which would be required to be accounted for as a capital lease on a balance sheet.
- 1.1.126 **"Loan"** - means, in this Agreement but excluding **Schedule 15.13**, at any time the aggregate of the Facility A Loan and, unless the context otherwise requires, the Swingline Loan, at such time, and for purposes of **Schedule 15.13**, shall have the meaning ascribed to such term in **Schedule 15.13**.
- 1.1.127 **"Loan Documents"** - means, collectively, this Agreement, the Security Documents, Permitted Hedging Agreements, the Letter of Credit Applications

and all other documents, instruments and agreements executed and delivered by any Obligor in connection directly or indirectly with this Agreement, any Permitted Hedging Agreement or any Borrowing or otherwise referred to or contemplated under or by this Agreement or any such documents instruments or agreements.

1.1.128 **"Majority Lenders"** - means at any time (including after the occurrence of any Event of Default):

1.1.128.1 if there are two Lenders or less, all the Lenders; or

1.1.128.2 if there are more than two Lenders, the Lenders having at least $66\frac{2}{3}\%$ of the Facility A Commitment at such time; provided, however, that when an Event of Default has occurred and is continuing or as and from the time the Facility A Total Commitment has been cancelled or terminated pursuant to this Agreement, **"Majority Lenders"** shall mean at any time Lenders who at such time have advanced at least $66\frac{2}{3}\%$ of the aggregate of the Loan (which for greater certainty includes the Facility A Loan and the Swingline Loan but excludes the Hedging Agreement Risk under Facility B Credit).

1.1.129 **"Mark-to-Market Value"** - means on any day with respect to any Hedging Agreement, the amount determined by the Counter-party other than the Borrowers under such Hedging Agreement, using the standard methodology of such Counter-party, as being the mark-to-market value of such Hedging Agreement as of such day.

1.1.130 **"MasterCard Facility"** means the MasterCard Facility made available to the Borrowers by BMO in the amount of \$500,000.

1.1.131 **"Material Adverse Effect"** - means a change or changes in or effect(s) on, either individually or in the aggregate, the business, assets, liabilities, financial position or operating results of Cossette Group and the other Obligors taken as a whole, which materially adversely affect(s) or could reasonably be expected to materially adversely affect the ability of any Obligor or its Subsidiaries to perform any of its obligations under this Agreement and the other Loan Documents in accordance with the respective terms thereof or the validity or enforceability of any of this Agreement or the other Loan Documents.

1.1.132 **"Material Contract"** - means each of the contracts and agreements listed in **Schedule 2.1.25**.

- 1.1.133 **“Material Domestic Subsidiary”** – means any Material Subsidiary which is incorporated or organized under the laws of the United States, Canada or any province or state forming part thereof.
- 1.1.134 **“Material Foreign Subsidiary”** – means any Material Subsidiary other than a Material Domestic Subsidiary.
- 1.1.135 **“Material Subsidiary”** – means, from time to time, any wholly-owned Subsidiary of Cossette Group with assets having a book value at such time exceeding C\$500,000 or the Equivalent Amount thereof in USDollars, Euros or Sterling.
- 1.1.136 **“Maturity Date”** - means the Facility A Maturity Date.
- 1.1.137 **“Minor Title Defects”** - means title defects or irregularities which are of a minor nature and in the aggregate will not substantially impair the use of the property affected by such title defect or irregularity for the purposes for which it is held by the owner thereof, nor substantially diminish any Security Interests for the benefit of the Agent and the Lenders thereon.
- 1.1.138 **“Multiemployer Plan”** means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which any Obligor or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.
- 1.1.139 **“Multiple Employer Plan”** means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that:
 - 1.1.139.1 is maintained for employees of any Obligor or any ERISA Affiliate and at least one Person other than an Obligor or ERISA Affiliate; or
 - 1.1.139.2 was so maintained and in respect of which any Obligor or ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.
- 1.1.140 **“Notice of Borrowing”** - means an irrevocable notice addressed to the Agent in substantially the form of **Schedule 3.2** specifying in respect of a proposed Borrowing the Drawdown Date, the amount, the proposed currency, and, in respect of a proposed Borrowing to which LIBOR or Euribor will be applicable, the initial Interest Period and in respect of a proposed Borrowing

by way of Acceptances, the Banking Day upon which the Bankers' Acceptances will mature.

- 1.1.141 **"Notice of Conversion"** - means an irrevocable notice delivered to the Agent by a Borrower pursuant to Section 3.8 substantially in the form of **Schedule 3.8**.
- 1.1.142 **"Notice of Optional Repayment"** - means an irrevocable notice delivered to the Agent by a Borrower pursuant to Section 5.2 substantially in the form of **Schedule 5.2**.
- 1.1.143 **"Obligations"** - means in respect of the Obligors, in each case whether now existing or hereafter arising, the aggregate outstanding principal of and interest on the Loan (including for greater certainty the Swingline Loan), the Letter of Credit Exposure, all obligations under Permitted Hedging Agreements, all interest accrued and to accrue thereon and all other amounts owing or which may become owing by the Obligors, or any one or more of them, to the Agent and the Lenders, or any one or more of them, or any of their respective Affiliates, under or pursuant to this Agreement, the Permitted Hedging Agreements and the other Loan Documents and the Bank Product Debt, including without limitation fees, expenses, indemnities and contingent liabilities, and all covenants and other obligations of the Obligors, or any one or more of them, to the Agent and the Lenders, or any one or more of them, under or pursuant to this Agreement, the Permitted Hedging Agreements and the other Loan Documents.
- 1.1.144 **"Obligors"** shall have the meaning ascribed to such term in the Provisions.
- 1.1.145 **"Optional Repayment Date"** - means each day which a Borrower has notified the Agent in a Notice of Optional Repayment as the date on which such Borrower shall repay the Borrowings under the Facility A Credit, or a portion thereof, in accordance with Section 5.2.
- 1.1.146 **"Participant"** - shall have the meaning ascribed to such term in Section 10.4 of the Provisions.
- 1.1.147 **"PBGC"** means the Pension Benefit Guaranty Corporation of the United States of America (or any successor thereto).
- 1.1.148 **"Permitted Encumbrances"** - means, as at any time, any one or more of the following:
 - 1.1.148.1 reservations in any original grants from the Crown of any land or interest therein, statutory exceptions to title and reservations of

mineral rights (including coal, oil and natural gas) in any grants from the Crown or from any other predecessors in title;

- 1.1.148.2 servitudes or easements of rights of way for purposes of public utility, or for encroachments, rights of view or otherwise, including, without in any way limiting the generality of the foregoing, the sewers, drains, gas and water mains, steam transport, electric light and power or telephone and telegraph conduits, poles and cables, pipelines or zoning restrictions affecting the use of the immovable or real properties of an Obligor which will not materially or adversely impair the use for which any one of the immovable or real properties of such Obligor is intended nor substantially diminish any Liens thereon;
- 1.1.148.3 any Lien arising by law for taxes, assessments or other governmental charges or levies not yet due or, if due, the validity of which is being contested diligently and in good faith by or on behalf of an Obligor by proper legal proceedings, provided the action to enforce the same has not proceeded to final non-appealable judgment and adequate provision has been made for the payment thereof in accordance with Applicable Accounting Principles;
- 1.1.148.4 any Lien arising by law out of any judgment rendered or claim filed against an Obligor, which such Obligor or others on its behalf shall be contesting diligently and in good faith by proper legal proceedings, provided the action to enforce the same has not proceeded to final non-appealable judgment and adequate provision has been made for the payment thereof in accordance with Applicable Accounting Principles;
- 1.1.148.5 any Lien arising by law of any craftsman, workman, builder, contractor, supplier of materials, architect, engineer or subcontractor or any other similar Lien related to the construction or the renovation of any property, provided that such Lien secures an obligation of an Obligor whose term has not expired or that such Obligor is not in default to perform same, or if its term has expired or such Obligor is in default to perform same, provided that such Obligor commences action within a delay of less than fifteen (15) days of its registration or publication to cause its cancellation or radiation unless the validity of such Lien is being contested diligently and in good faith by or on behalf of such Obligor by proper legal proceedings, provided the action to enforce

the same has not proceeded to final non-appealable judgment and adequate provision has been made for the payment thereof in accordance with Applicable Accounting Principles;

- 1.1.148.6 Minor Title Defects;
- 1.1.148.7 the pledges or deposits of cash or securities made pursuant to Applicable Laws relating to workmen's compensation or similar Applicable Laws, or deposits of cash made in good faith in connection with offers, tenders, leases or contracts (excluding, however, the borrowing of money or the repayment of money borrowed) and deposits of cash or securities in order to secure appeal bonds or bonds required in respect of judicial proceedings;
- 1.1.148.8 undetermined or inchoate Liens, arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with Applicable Law or of which written notice has not been duly given in accordance with Applicable Law or which, although filed or registered, relate to obligations not due or delinquent;
- 1.1.148.9 the rights reserved to or vested in Governmental Authorities by statutory provisions or by the terms of leases, licences, franchises, grants or permits, which affect any land, to terminate any such leases, licences, franchises, grants or permits or to require annual or other payments as a condition to the continuance thereof;
- 1.1.148.10 securities to public utilities or Governmental Authorities when required by the utility or Governmental Authority in connection with the supply of services or utilities to an Obligor in the operation of its business, and securities granted as part of any refundings or renewals thereof provided the security is restricted to the same collateral;
- 1.1.148.11 any Purchase Money Mortgage, and any Lien granted as part of any refunding or renewal of the outstanding amount secured by such a Purchase Money Mortgage provided such Lien is restricted to the same collateral and the obligations of any Obligor under such Purchase Money Mortgage are permitted under this Agreement;
- 1.1.148.12 any conditional sales agreement or other title retention agreement (including any capital lease) with respect to assets of an Obligor acquired after the date of this Agreement provided the obligations

of any Obligor under such conditional sales agreement or other title retention agreement are permitted under this Agreement;

1.1.148.13 Security Interests for the benefit of the Agent and the Lenders, or any of them, securing the Obligations; and

1.1.148.14 the Liens described in **Schedule 2.1.9**.

1.1.149 **"Permitted Hedging Agreement"** – means any Swap Agreement or Fx Agreement entered into between a Borrower, the Lead Swap Arranger or the Lenders provided that each such agreement is on an ISDA Master Agreement, that in the case of a Swap Agreement, such agreement has a term not exceeding the Facility A Maturity Date and in the case of a Fx Agreement, the term of such agreement does not exceed 24 months. Without limiting the generality of the foregoing, Hedging Agreements entered into prior to the date of this Agreement between a Borrower and BMO and which are listed in **Schedule 2.1.35** shall be Permitted Hedging Agreements.

1.1.150 **"Permitted Hedging Agreement Obligations"** – means at any time, all amounts owing at such time by the Borrowers in respect of Permitted Hedging Agreements.

1.1.151 **"Permitted Lien"** – shall have the same meaning as Permitted Encumbrances.

1.1.152 **"Person"** – shall have the meaning ascribed to such term in the Provisions.

1.1.153 **"Plan"** – means a Single Employer Plan or a Multiple Employer Plan.

1.1.154 **"Proceeds of Realization"** – in respect of the Security Documents or any portion thereof, means all amounts received by the Agent or any Lender in connection with:

1.1.154.1 any realization of the Collateral pursuant to the Security Documents, whether occurring as a result of enforcement or otherwise;

1.1.154.2 any sale, expropriation, loss or damage or other disposition of the Collateral or any portion thereof; or

1.1.154.3 the dissolution, liquidation, bankruptcy or winding-up of any Obligor or any other Person which has provided security pursuant to any Security Documents or a Guarantee in respect of the Borrower, as the case may be, or any other distribution of the Collateral to such creditors;

and all other amounts which are expressly deemed to constitute **"Proceeds of Realization"** in this Agreement.

- 1.1.155 **"Provisions"** – shall have the meaning ascribed to such term in **Schedule 15.13**.
- 1.1.156 **"Purchase Money Mortgage"** - means a Security Interest charging an Asset acquired by an Obligor after the date of this Agreement, which is granted or assumed by such Obligor which arises by operation of law, in favour of the transferor substantially concurrently with and for the purpose of the acquisition of such Asset, in each case where (i) the principal amount secured by such Security Interest secures part of the purchase price of such Asset acquired and is not in excess of one hundred percent (100%) of the cost to such Obligor of the Asset acquired; and (ii) such Security Interest extends only to the Asset acquired.
- 1.1.157 **"Regulation U"** means Regulation U of the Board of Governors of the Federal Reserve System of the United States of America, as in effect from time to time.
- 1.1.158 **"Reimbursement Obligation"** - means the obligation of a Borrower to reimburse the Issuing Bank pursuant to Section 8.8.
- 1.1.159 **"Release"** - means discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning.
- 1.1.160 **"Reportable Event"** means, with respect to any Benefit Plan of any Person, (a) the occurrence of any of the events set forth in ERISA Section 4043(b) (other than a Reportable Event as to which the provision of 30 days' notice to the Pension Benefit Guaranty Corporation is waived under applicable regulations), 4063(a) or the regulations thereunder with respect to such Benefit Plan, (b) any event requiring such Person or any of its ERISA Affiliate to provide security to such Benefit Plan under Internal Revenue Code Section 401(a)(29) or (c) any failure to make a payment required by Internal Revenue Code Section 412(m) with respect to such Benefit Plan.
- 1.1.161 **"Required Lenders"** – shall have the same meaning as Majority Lenders.
- 1.1.162 **"Responsible Officer"** means, with respect to any Person, the president, the chief executive officer, an executive vice president, the chief financial officer or the secretary of such Person or, in the case of a limited partnership, of its

general partner, provided that, with respect to financial matters, it shall mean the chief financial officer or the treasurer of such Person;

- 1.1.163 **"Security Documents"** - means the collective reference to the agreements and instruments listed in **Schedule 12.1**, all amendments, supplements, restatements and other modifications thereof, and each other agreement or writing pursuant to which an Obligor grants a Security Interest to or for the benefit of the Agent and the Lenders, or any of them, alone or together with any other Person or Persons, in any of its Assets securing all or part of the Obligations.
- 1.1.164 **"Security Interest"** - means a hypothec, mortgage, pledge, fixed or floating charge, assignment by way of security or any other security interest securing payment or performance of an obligation.
- 1.1.165 **"Senior Debt"** - means, on any day, with respect to Cossette Group, on a consolidated basis, without duplication, the sum of all its Interest Bearing Debt (including corporate Guarantees of any Obligor in respect of interest bearing debt of a third party) but excluding Fully Subordinated Debt and, for greater certainty, any earn-out payment obligations and any potential additional equity interest obligations of Cossette Group on a consolidated basis as described in the most recent financial statements of Cossette Group delivered pursuant to Section 11.1.2.2 or in the most recent Management Discussion and Analysis of Cossette Group, as the case may be. For the purposes of this definition, **"Interest Bearing Debt"** of Cossette Group shall include: (i) obligations of any Obligor for borrowed money in respect of which the principal bears interest; (ii) indemnity or reimbursement obligations to financial institutions who issued letters of credit or letters of guarantee for the account of any Obligor; (iii) obligations representing the deferred purchase price of property or services acquired by any Obligor, other than trade accounts payable by any Obligor arising in the ordinary course of business, (iv) obligations of any Obligor under bankers' acceptances, depository bills or depository notes (as these latter two expressions are defined in the DBNA), (v) Capital Lease Obligations of any Obligor; (vi) obligations of any Obligor evidenced by bonds, debentures or promissory notes; and (vii) for all purposes hereof except in the calculation of the ratio set forth in Section 11.2.1, Hedging Agreement Risk, in each case all as is required to be disclosed in the financial statements or notes thereto of any Obligor in accordance with Applicable Accounting Principles.
- 1.1.166 **"Shareholders Equity"** means, on any day, in respect of Cossette Group, the aggregate of (i) the book value of the issued and outstanding Capital Stock of Cossette Group on such day plus (ii) the amount of retained earnings of

Cossette Group on such day plus (iii) the amount of any contributed surplus of Cossette Group on such day, the whole as determined on a consolidated basis.

1.1.167 **“Single Employer Plan”** means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that:

1.1.167.1 is maintained for employees of any Obligor or its ERISA Affiliate and no Person other than an Obligor and its ERISA Affiliates; or

1.1.167.2 was so maintained and in respect of which any Obligor or an ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

1.1.168 **“Solvent”** means, when used with respect to any Person, that:

1.1.168.1 the aggregate of such Person’s property 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 such Person’s obligations and liabilities (including contingent liabilities), due and accruing due;

1.1.168.2 such Person is able to meet its obligations generally as they become due;

1.1.168.3 such Person has not ceased paying its current obligations in the ordinary course of business generally as they become due;

1.1.168.4 such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond its ability to pay as such debts and liabilities mature;

1.1.168.5 such person is not engaged, and is not about to engage, in business or a transaction for which its property would constitute an unreasonably small capital; and

1.1.168.6 such Person is otherwise solvent under Applicable Law.

1.1.169 **“Sterling”** and **“£”** – means the lawful currency for the time being of the United Kingdom.

1.1.170 **“Subsidiary”** – of a Person means a company or corporation Controlled by that Person.

1.1.171 **“Swap Agreements”** - means each Hedging Agreement entered into between a Borrower, the Lead Swap Arranger or the Lenders pursuant to Article 4.1

solely for the purpose of hedging the interest rate fluctuation risks associated with Facility A Credit, the whole in form, substance and content acceptable to the Lead Swap Arranger and the relevant Lenders.

- 1.1.172 **"Swingline Advance"** – shall have the meaning ascribed to such term in Section 3.10.2.
- 1.1.173 **"Swingline CDollar Availment"** – shall mean, at any time, the aggregate of all amounts debited to the CDollar Current Account (including without limitation cheques, transfers, withdrawals, interest, costs, charges and fees) in excess of the aggregate of all amounts credited to the CDollar Current Account.
- 1.1.174 **"Swingline Lender"** – means BMO and its successors and assigns in such capacity.
- 1.1.175 **"Swingline Limit"** – means the lesser of (1) the Facility A Total Commitment less the Facility A Loan; and (2) C\$9,000,000, as such latter amount is increased, reduced or cancelled from time to time by the Swingline Lender in its sole and entire discretion with the consent of the other parties hereto.
- 1.1.176 **"Swingline Loan"** – means, on any date, the aggregate of any Swingline CDollar Availment and the Equivalent Amount in CDollars of any Swingline USDollars Availment on such date.
- 1.1.177 **"Swingline USDollar Availment"** – means, at any time, the aggregate of all amounts debited to the USDollar Current Account (including without limitation cheques, transfers, withdrawals, interest, costs, charges and fees) in excess of the aggregate of all amounts credited to the USDollar Current Account.
- 1.1.178 **"Termination Event"** - means, with respect to any Benefit Plan, (a) any Reportable Event with respect to such Benefit Plan, (b) the termination of such Benefit Plan, or the filing of a notice of intent to terminate such Benefit Plan, or the treatment of any amendment to such Benefit Plan as a termination under ERISA Section 4041(c), (c) the institution of proceedings to terminate such Benefit Plan under ERISA Section 4042 or (d) the appointment of a trustee to administer such Benefit Plan under ERISA Section 4042.
- 1.1.179 **"Total Commitment"** - means at any time the Facility A Total Commitment at such time.
- 1.1.180 **"Total Debt"** – means, as of any date of determination, with respect to Cossette Group, on a consolidated basis and without duplication, the sum of

(i) the Senior Debt then outstanding, plus (ii) the maximum fixed redemption or repurchase price of all redeemable Capital Stock of Cossette Group or any other Obligor which is redeemable at the option of the holder thereof, is redeemable at a fixed date or is redeemable during fixed intervals, plus (iii) the current portion of any earn-out payment obligations of Cossette Group as described in the most recent financial statements of Cossette Group delivered pursuant to Section 11.1.2.2.

1.1.181 **“UK”** – means the United Kingdom.

1.1.182 **“US Base Rate”** - means at any time the aggregate of (a) the rate of interest per annum equal to the higher of (i) the fluctuating annual rate of interest established by the Agent from time to time as being the reference rate of interest it will use at such time in Canada for determining rates of interest on US Dollar commercial loans to Canadian residents in Canada and designated at its US base rate, and (ii) the LIBO Rate for deposits in USDollars for a one-month Libor Advance plus 2.50% per annum, plus (b) the Applicable Margin; in each case adjusted automatically with each change in the established, quoted or published rate or the Applicable Margin, all without necessity of notice to the Borrowers or any other Person.

1.1.183 **“US Base Rate Advance”** - means an Advance in USDollars to which the US Base Rate is applicable.

1.1.184 **“US Base Rate Loan”** - means at any given time during the term of this Agreement the Loan, or that portion of the Loan, which a Borrower has elected or is deemed to have elected to denominate in USDollars and upon which interest is payable at the US Base Rate.

1.1.185 **“USDollar Current Account”** – means, with respect to Cossette Group, the USDollar Account No. 4633-306 (transit 0158) and, with respect to CCI, the USDollar Account No. 4623-052 (transit 0158), both at Bank of Montreal, 2005 Peel, Montreal, Quebec, H3A 1T7 or such other USDollar accounts at Bank of Montreal in Canada as the Borrowers may from time to time designate in writing to the Agent.

1.1.186 **“USDollars”** and the symbol: **“US\$”** - each means the lawful money for the time being of the United States of America in same day immediately available funds or, if such funds are not available, the form of money of the United States of America which is customarily used in the settlement of international banking transactions on that day.

1.1.187 “US GAAP” – means generally accepted accounting principles as in effect from time to time in the United States of America, applicable to the relevant period, applied in a consistent manner from period to period.

1.1.188 “written” or “in writing” shall include printing, typewriting, or any electronic means of communication capable of being visibly reproduced at the point of reception including telegraph, telecopier and electronic data interchange.

1.2 **Computation of Time Periods**

In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”.

1.3 **Headings and Table of Contents**

The headings of Articles and Sections and the table of contents are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 **References**

Unless otherwise specified or the context otherwise requires, all references to Sections, Articles and Schedules are to Sections, Articles and Schedules in this Agreement.

1.5 **Singular and Plural; Gender**

In this Agreement, where the context admits, the singular includes the plural and vice versa; and gender is used as a reference term only and applies with the same effect whether the parties are of masculine or feminine gender, corporate or other form.

1.6 **Applicable Accounting Principles**

Unless otherwise specifically provided herein, any accounting term used in this Agreement shall have the meaning customarily given such term in accordance with Applicable Accounting Principles and all financial computations hereunder shall be computed in accordance with Applicable Accounting Principles consistently applied. That certain items or computations are explicitly modified by the phrase “in accordance with Applicable Accounting Principles” shall in no way be construed to limit the foregoing. If any “Accounting Changes” (as defined below) occur and such changes result in a change in the calculation of the financial covenants set forth in Section 12.2, standards or terms used in this Agreement or any other Loan Documents, then the Borrowers, the Agent and the Lenders agree to enter into negotiations in good faith in order to amend such provisions of this Agreement so as to equitably reflect such Accounting

Changes with the desired result that the criteria for evaluating Borrowers' and the Obligors' financial condition shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made; provided, however, that the agreement of Majority Lenders to any required amendments of such provisions shall be sufficient to bind all Lenders. "Accounting Changes" means (i) changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants (or successor thereto or any agency with similar functions), (ii) changes in accounting principles concurred in by the Borrowers' independent chartered accountants; and (iii) the reversal of any reserves established as a result of purchase accounting adjustments. All such adjustments resulting from expenditures made subsequent to the date hereof (including capitalization of costs and expenses or the payment of liabilities incurred prior to the date hereof) shall be treated as expenses in the period the expenditures are made and deducted as part of the calculation of EBITDA in such period. If the Agent, the Borrowers and the Majority Lenders agree upon the required amendments (and all other Obligors shall be deemed to agree to such amendments so agreed to by Borrowers), then after appropriate amendments have been executed and the underlying Accounting Change with respect thereto has been implemented, any reference to Applicable Accounting Principles contained in this Agreement or in any other Loan Documents shall, only to the extent of such Accounting Change, refer to Applicable Accounting Principles, consistently applied after giving effect to the implementation of such Accounting Change. Until such time as the Agent, the Borrowers and the Majority Lenders agree upon the required amendments, all financial statements delivered and all calculations of financial covenants and other standards and terms in accordance with this Agreement and the other Loan Documents shall be prepared, delivered and made without regard to the underlying Accounting Change.

1.7 **Rateable Portion of Accommodations**

References in this Agreement to "Facility A Participation of a Lender", "shared by each Lender pro rata, in accordance with their respective "Facility A Participations" or similar expressions 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.

1.8 **Incorporation of Exhibits and Schedules**

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

1.9 **Solidarity**

The Borrowers' responsibility towards the Agent and the Lenders shall be on a solidary basis.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties

Each Obligor represents and warrants to each Lender and the Agent, acknowledging and confirming that each Lender and the Agent are relying thereon in entering into this Agreement and providing accommodations hereunder, that:

- 2.1.1 Organization: it is a corporation (or a partnership, as the case may be) which is duly incorporated (or constituted, as applicable), validly existing and in good standing under the laws of its jurisdiction of incorporation or organization;
- 2.1.2 Power: it has the necessary power, corporate or otherwise, to enter into this Agreement and the other Loan Documents to which it is a party and to perform its obligations thereunder;
- 2.1.3 Enforceability: each of this Agreement and the other Loan Documents to which it is a party has been duly authorized by all necessary actions (corporate or otherwise) and constitutes valid and legally binding obligations of it enforceable against it in accordance with its terms;
- 2.1.4 Governmental Consents: no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body is required for the due execution, delivery and performance by it of this Agreement or any Loan Document to which it is a party or the entering into or the consummation of the Acquisition, except for such authorizations or approvals or other action or notice or filings as have been validly obtained, given or filed or as to which failure to obtain or give could not, individually or in the aggregate, have a Material Adverse Effect;
- 2.1.5 Breach: neither the execution and delivery of this Agreement and the other Loan Documents by it nor compliance with the terms and provisions hereof or thereof will:
 - 2.1.5.1 conflict with, violate, or result in a breach of any of the terms, conditions or provisions of any Applicable Law (including, without limitation, Regulation U or X of the Board of Governors of the Federal Reserve System in the United States of America) applicable to it or any order, injunction, decree, determination or award of any court or any governmental department, body,

commission, board, bureau, agency or instrumentality applicable to it, in each case in a material manner or to a material extent;

2.1.5.2 conflict with, violate, result in a breach of, or constitutes a material default under any of its charter or by-law provisions or of any Material Contract or any loan agreement, loan or trust indenture, trust deed, or any other similar agreement or instrument to which it is a party or by which it is bound, or

2.1.5.3 result in the creation of a Lien upon any of its properties, assets or revenues other than those resulting from the Security Documents;

2.1.6 Litigation: except as disclosed in **Schedule 2.1.6**, there are no actions, suits or arbitration proceedings and there are no legal proceedings (including, without limitation, insolvency proceedings and Environmental Claims) pending or to the best of its knowledge and belief, after due enquiry, threatened involving it before any court or administrative agency or tribunal of any country or jurisdiction which could, if determined adversely, separately or in the aggregate, have a Material Adverse Effect;

2.1.7 No Default: no event has occurred and is continuing which constitutes a Default or an Event of Default;

2.1.8 No Judgments, etc.: there are no outstanding judgments, writs of execution, work orders, notices of deficiency capable of resulting in work orders, injunctions or directives against it or any of its property or assets which could, if determined adversely, separately or in the aggregate have a Material Adverse Effect;

2.1.9 Title to Property; No Liens; Leases: it is the owner of, and has good and marketable title to, all its property, rights and assets and, the same are free and clear of all Liens, except for Permitted Encumbrances or as set forth in **Schedule 2.1.9**; the only sums owing by any Obligors to Bank of America are those amounts set forth in a payout letter delivered contemporaneously herewith and the Obligors do not owe any sums to JP Morgan Chase Bank N.A.; it has the right to and does enjoy peaceful and undisturbed possession under all leases under which it is leasing property; all such leases are valid, subsisting and in full force and effect in all material respects; it is not in default in the performance, observance or fulfilment of any of its obligations under any provision of any such leases except for defaults which could not have a Material Adverse Effect;

- 2.1.10 Real and Immovable Property: **Schedule 2.1.10** sets forth the address of each real or immovable property owned or leased by it and, if leased, the owner of record thereof; it owns or leases no other real or immovable property;
- 2.1.11 Insurance: a policy of insurance or policies of insurance in compliance with the requirements of Section 11.4 is or are in effect in respect of it;
- 2.1.12 Intellectual Property: **Schedule 2.1.12** sets forth all trademarks, patents, industrial designs and other intellectual property of or licensed to it; it possesses all the trademarks, trade names, copyrights, patents, industrial designs, licences or rights in any thereof, necessary for the conduct of its business as now conducted and presently proposed to be conducted and, to the best of its knowledge, it is not infringing or alleged to be infringing on the rights of any Person with respect to any patent, trademark, trade name, copyright (or any application or registration respecting any thereof), discovery, improvement, process, formula, know-how, data, plans, specification, drawing or the like, which infringement could have a Material Adverse Effect;
- 2.1.13 Compliance with Laws: its business and operations are in compliance in all respects with all Applicable Laws save and except as set forth in **Schedule 2.1.13**. Without limiting the generality of the foregoing:
- 2.1.13.1 Investment Company Act of 1940 of the United States of America: it is not an "investment company", or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the *Investment Company Act of 1940* of the United States of America, as amended, and neither the making of any Advances, nor the acceptance of any Bankers' Acceptance, nor the issuance of any Letters of Credit, nor the application of the proceeds or repayment thereof by it, nor the consummation of the other transactions contemplated hereby, will violate any provision of such Act or any rule, regulation or order of the Securities and Exchange Commission thereunder;
- 2.1.13.2 Competition and Anti-Trust Laws: it is in compliance in all material respects with all competition and anti-trust legislation, and it has no indication nor any reason to believe that the Acquisition might be challengeable on any competition or anti-trust grounds by Governmental Authorities of Canada or the United States of America;

2.1.13.3 Environmental Matters:

2.1.13.3.1 Compliance; Environmental Permits; Communications, Circumstances. (i) it is in compliance in all material respects with all applicable Environmental Laws, and (ii) it has not received any communication (written or oral), whether from a Governmental Authority, citizens group, employee or otherwise, which communication alleges that it has not complied in all material respects with any Environmental Law;

2.1.13.3.2 Environmental Claims. (i) there is no Environmental Claim pending or, to the best of its knowledge, threatened against it which could reasonably be expected to have a Material Adverse Effect and (ii) there are no present, past actions, activities, circumstances, conditions, events or incidents (including, without limitation, the release, emission, discharge or disposal of any Hazardous Materials) that could form the basis of any Environmental Claims against it that singly or in the aggregate could reasonably be expected to have a Material Adverse Effect;

2.1.13.3.3 Notices or Orders. It has not received any notice or order advising it that it has or may have any remedial obligation with respect to any such releases, emissions, discharges or disposals of any Hazardous Materials or that it is or may be responsible for the costs of any remedial action taken or to be taken by any other Persons with respect to any such releases, emissions, discharges or disposals of any Hazardous Materials, which obligation or cost could reasonably be expected to have, singly or in the aggregate, a Material Adverse Effect;

2.1.14 Taxes: except as disclosed in **Schedule 2.1.14**, it has filed when due with the appropriate Governmental Authority all material tax returns, reports and statements required to be filed by it, and it has paid when due all Taxes due and payable on or before the due date thereof (other than Taxes, the payment of which is being contested in good faith by appropriate proceedings and in respect of which adequate reserves have been made in its books) and, in the case of Taxes not yet due or payable, has made adequate provision for such

Taxes in its books and records in accordance with Applicable Accounting Principles;

- 2.1.15 Financial Statements of Cossette Group: (i) the audited consolidated financial statements of Cossette Group for the fiscal year ended September 30, 2007 and the unaudited consolidated financial statements of Cossette Group for its fiscal quarter ended June 30, 2008 which have been provided to the Lenders prior to the date hereof are complete and correct and, together with the management discussion and analysis, present fairly, in accordance with Canadian Applicable Accounting Principles, the consolidated financial position of Cossette Group and its Subsidiaries at their respective dates and the consolidated results of operations, retained earnings and, as applicable, changes in financial position or cash flows of Cossette Group, for the respective periods to which such statements relate; (ii) except as disclosed or reflected in such financial statements, as at June 30, 2008, neither Cossette Group nor any other Obligor had any liability, contingent or otherwise, or any unrealized or anticipated loss, that, singly or in the aggregate, could reasonably be expected to have a Material Adverse Effect; and (iii) since September 30, 2007, there has been no change in the consolidated financial condition of Cossette Group from that set forth in the said consolidated financial statements which could have a Material Adverse Effect;
- 2.1.16 Future Financial Statements: the financial statements delivered from time to time to the Lenders pursuant to Section 11.1.2 are complete and correct and present fairly, in accordance with Applicable Accounting Principles (except for changes therein or departures therefrom that are described in the certificate or report accompanying such statements and that have been approved in writing by the Auditors), the consolidated or non-consolidated, as the case may be, financial position of Cossette Group, as the case may be, as at their respective dates and the consolidated or non-consolidated, as the case may be, results of operations, retained earnings and cash flows of Cossette Group for the respective periods to which such statements relate, and the furnishing of the same to the Lenders shall constitute a representation and warranty by Cossette Group made on the date the same are furnished to the Lenders to that effect and to the further effect that, except as disclosed or reflected in such financial statements, as at the respective dates thereof, neither Cossette Group nor any other Obligor had any liability, contingent or otherwise, or any unrealized or anticipated loss, that, singly or in the aggregate, could reasonably be expected to have a Material Adverse Effect;
- 2.1.17 Forecasts and Information Supplied: forecasts and projections supplied to the Agent and the Lenders were based on good faith estimates and assumptions, adequately disclosed therein at the time supplied, believed by it to be

reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by such projections may differ from projected at the time thereof results of or the prospects for its business;

- 2.1.18 No Material Adverse Effect: there has been no Material Adverse Effect since June 30, 2008; there is no fact known to it which could have a Material Adverse Effect which has not been fully disclosed to the Agent other than matters of a general economic nature;
- 2.1.19 Licences; No Burdensome Restrictions, etc.: except as disclosed in **Schedule 2.1.19** it possesses all material franchises, certificates, licences, permits and other authorizations or exemptions from regulatory authorities and other Governmental Authorities, free from burdensome restrictions or known conflict with the rights of others, that are necessary under Applicable Laws for the ownership, lease, maintenance and operation of its properties and assets and the conduct of its business as now conducted and as proposed to be conducted, and it is not in violation of any thereof, which failure to possess or violation could have a Material Adverse Effect;
- 2.1.20 Withholding of taxes, etc.: except as disclosed in **Schedule 2.1.20**, it has deducted and withheld amounts from all employees for all periods in full and complete compliance with all tax, social security, unemployment and other provisions of Applicable Laws, and have paid or remitted such deductions or withholdings when due to the relevant Governmental Authorities;
- 2.1.21 Borrowers not Non-Resident of Canada: neither Borrower is a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- 2.1.22 No Withholding: none of the payments to be made from time to time by any Obligor pursuant to this Agreement or any other Loan Documents are subject to withholding taxes;
- 2.1.23 Security Documents, Liens: each of the Security Documents to which it is a party creates a valid and enforceable, and in the case of an Obligor incorporated or organized under the laws of the United States or any state forming part thereof except as set forth in Schedule 2.1.23, perfected Security Interest in the Collateral described therein ranking in priority to all other Liens against such Assets, subject only to Permitted Encumbrances;
- 2.1.24 Subsidiaries: **Schedule 2.1.24** sets forth a complete and accurate corporate chart and list of all Obligors, showing as of the date hereof (as to each such Obligor) the jurisdiction of its incorporation or organization, the number of outstanding shares of each class of Capital Stock thereof, the owner of such

Capital Stock, the location of its corporate records and its registered and chief executive offices, the provinces/states where it conducts business and the location of any of its places of business and tangible property (if different);

- 2.1.25 Material Subsidiaries: the Obligors are all of the Material Subsidiaries of Cossette Group;
- 2.1.26 Material Contracts: it is not a party to or bound by any material contract or agreement, other than those listed in **Schedule 2.1.26**; it is not in default to perform or observe its obligations under any such Material Contract, which default could have a Material Adverse Effect; the Material Contracts to which it is a party are in full force and effect; except for those already given or obtained, no notice nor consent is required to be given or obtained under any Material Contract in connection with the execution of this Agreement;
- 2.1.27 Senior Debt: it has no Senior Debt other than the Existing Indebtedness and the Obligations;
- 2.1.28 Banking: it does not maintain a bank account with any financial institution other than Bank of Montreal and its Affiliates except as disclosed in **Schedule 2.1.28** or as otherwise expressly permitted in this Agreement;
- 2.1.29 Fiscal year end: **Schedule 2.1.29** sets forth the fiscal year end of each of the Obligors;
- 2.1.30 Labour Matters: except as disclosed in **Schedule 2.1.30**, there are no strikes or other labour disputes against it and pending or, to the best of its knowledge and belief after due inquiry, anticipated which could reasonably be expected to have a Material Adverse Effect and there are no complaints or charges against it pending or, to the best of its knowledge and belief, after due inquiry, threatened to be filed with any governmental or regulatory body or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment by it which could have a Material Adverse Effect;
- 2.1.31 Canadian Benefit and Pension Plans: the Canadian Pension Plans are duly registered under the provisions of the ITA and any other Applicable Law and no event has occurred which is reasonably likely to cause the loss of such registered status. The Canadian Pension Plans and the Canadian Benefits Plans have been administered in accordance, in all material respects, with the ITA and all other Applicable Laws. All its material obligations (including fiduciary and funding obligations) required to be performed in connection with the Canadian Pension Plans and the funding media therefor have been performed. No promises of benefit improvements under the Canadian

Pension Plans or the Canadian Benefit Plans have been made except where such improvements could not have a Material Adverse Effect. There have been no improper withdrawals or applications of the assets of the Canadian Pension Plans or the Canadian Benefit Plans. Each of the Canadian Pension Plan and Canadian Benefit Plans is funded to the extent required by Applicable Law and there exist no going concern unfunded actuarial liabilities or solvency deficiencies in respect of such plans except to the extent that the failure to so comply could not have a Material Adverse Effect;

- 2.1.32 ERISA: no ERISA Event has occurred and is continuing and such Obligor and the ERISA Affiliates are in compliance with all obligations to which it or they may be subject under ERISA, as well as under the regulations or rules issued thereunder or arising under the Internal Revenue Code, principles of applicable law, or agreement in respect of its Benefit Plans, except to the extent that any non-compliance therewith would not have a Material Adverse Effect;
- 2.1.33 Solvency: as of the date hereof, it is, individually and together with the other Obligors, Solvent;
- 2.1.34 No Omissions: it has not withheld from any Lender any material information relating to its financial condition or business which would reasonably be expected to be material to a prospective lender contemplating a loan of the size and nature contemplated in this Agreement;
- 2.1.35 Permitted Hedging Agreements: on the date of execution of this Agreement, the only outstanding Permitted Hedging Agreements are those described in **Schedule 2.1.35**; and
- 2.1.36 Letters of credit: on the date of execution of this Agreement, there are no outstanding letters of credit or letters of guarantee issued by a Lender for the account of an Obligor, other than the Existing Letters of Credit.

2.2 **Survival of Representations and Warranties**

All representations and warranties of each Obligor contained herein and in any certificate or material delivered hereunder or pursuant to any of the other Loan Documents shall be deemed to have been relied upon by the Lenders notwithstanding any investigation heretofore or hereafter made by any of the Lenders or by their respective counsel or by any other representative of the Lenders and all such representations and warranties shall be deemed to be given on the date of this Agreement and, except for the representations and warranties set forth in Section 2.1.15 (which shall be read as if they referred to the most recent financial statements delivered by the Obligors to the Agent pursuant to Section 11.1.2), on each Drawdown Date, on each Conversion Date, on each date of issuance, extension or renewal of a Letter of Credit, and

on each date of renewal of a Bankers' Acceptance, Libor Loan or Euribor Loan hereunder, with the same effect, subject to and to the extent consistent with the transactions contemplated hereby, as if made at and as of each such date, by reference to the facts and circumstances then prevailing.

ARTICLE 3 THE FACILITY A CREDIT

3.1 Obligations of the Lenders and Use of Proceeds

3.1.1 Facility A Commitment: Relying on each of the representations and warranties set out in ARTICLE 2 and subject to the terms of this Agreement, each Lender severally and not jointly or solidarily, agrees to make its Facility A Commitment under the Facility A Credit available to the Borrowers, on a revolving basis, during the period from the date hereof until the Facility A Termination Date:

3.1.1.1.1 in CDollars by way of Canadian Rate Advances;

3.1.1.1.2 in USDollars by way of US Base Rate Advances;

3.1.1.1.3 in CDollars by way of Acceptance of Bankers' Acceptances or, as the case may be, BA Equivalent Advances;

3.1.1.1.4 in USDollars and £ by way of Libor Advances;

3.1.1.1.5 in € by way of Euribor Advances; and

3.1.1.1.6 by way of Letters of Credit (subject to Section 8.2);

provided that a Lender shall have no obligation (a) to make any Facility A Advance if (i) at any time the amount thereof exceeds its then Facility A Available Commitment or (ii) the Existing Indebtedness has not been repaid (except in the case of the portion of the Initial Facility A Advance to be used to repay the Existing Indebtedness) and the Agent has not received evidence satisfactory to the Agent of the release of all security for such Existing Indebtedness; (b) to make any Advance or Conversion Advance under Facility A Credit at any time that a Default or an Event of Default has occurred and is continuing (without having been cured or waived as provided in this Agreement); or (c) to make any Libor Advances, Euribor Advances or

Advances by way of Acceptance or by way of Letter of Credit during the period starting on the date hereof and ending five (5) Business Days after Financial Close.

- 3.1.2 Use of funds: The Borrowers agree to use the proceeds of the Advances under the Facility A Credit: (i) for ongoing operating and working capital requirements and general corporate purposes of any of the Obligors; (ii) to assist in the repayment of the Existing Indebtedness, (iii) to finance all new Capital Expenditures and acquisitions and investments made by the Obligors in accordance with the provisions hereof, including the financing of the balance of the purchase price of UK Subsidiaries of Cossette Group or other UK operational requirements, (iv) to finance share buyback for key managers of the Obligors as required, and (v) such other purposes as the Agent may authorize from time to time in writing. Letters of Credit guaranteeing obligations owing by third parties other than Obligors shall not, at any time, exceed C\$1,500,000.
- 3.1.3 Termination of Facility A Commitments: The Facility A Total Commitment and the Facility A Commitment of each Lender shall terminate on the Facility A Termination Date.
- 3.1.4 Maximum Amount of Letters of Credit: The Letters of Credit Exposure shall not, at any time, exceed C\$15,000,000.
- 3.1.5 Maximum Amount of Libor Advances in £ and €: The aggregate amount of Libor Advances in £ and Euribor Advances in € shall not exceed at any time the Equivalent Amount of C\$30,000,000.

3.2 Direct Advances and Bankers' Acceptances

- 3.2.1 Subject to the terms and conditions hereof, from time to time during the period from the date thereof until the Facility A Termination Date and upon giving to the Agent prior written notice in accordance with Section 3.4 by means of a Notice of Borrowing, a Borrower may borrow from each Lender, through the Agent, up to the amount of its Facility A Available Commitment:
 - 3.2.1.1 by way of Canadian Rate Advance provided the aggregate amount of each such Advance shall be C\$500,000 or integral multiples of C\$100,000 in excess of such amount;
 - 3.2.1.2 by way of US Base Rate Advance provided aggregate the amount of each such Advance shall be US\$500,000 or in integral multiples of US\$100,000 in excess of such amount;

- 3.2.1.3 by way of Libor Advance or Euribor Advance provided the aggregate amount of each such Advance shall be, for a Libor Advance in USDollars, US\$500,000 or in integral multiples of US\$100,000 in excess of such amount and, for a Libor Advance in £ or a Euribor Advance, the Equivalent amount of US\$500,000 or in integral multiples of US\$100,000 in excess of such amount; and
- 3.2.1.4 by way of Acceptance of Bankers' Acceptances (or, as the case may be, BA Equivalent Advances) provided the aggregate amount of each such Advance shall be in a minimum amount of C\$500,000 or in integral multiples of C\$100,000 in excess of such amount.
- 3.2.2 In each Notice of Borrowing in which a Borrower has elected to pay interest at LIBOR or Euribor on all or part of the Borrowing, such Borrower shall specify the duration it selects for the initial Interest Period with respect to such Libor Loan Portion or Euribor Loan Portion in accordance with Section 6.7.
- 3.2.3 In each Notice of Borrowing in which a Borrower has elected Bankers' Acceptances, such Borrower shall specify the maturity date for such Bankers' Acceptances in accordance with Section 7.1.3. Borrowings by way of Bankers' Acceptances shall be in accordance with ARTICLE 7.
- 3.2.4 Each Notice of Borrowing shall be irrevocable and binding on the Borrowers. In all cases the Drawdown Date shall be a Banking Day if only Advances in CDollars are requested, or a Business Day, for all other Advances.
- 3.2.5 Within the limits of each Lender's Facility A Commitment, the Borrowers may borrow under this Section 3.2, repay pursuant to Section 5.2 and re-borrow under this Section 3.2.
- 3.2.6 Any obligation of a Lender to make Libor Advances or Euribor Advances is subject to availability.

3.3 **Letters of Credit**

Subject to the terms and conditions hereof and provided that no Default or Event of Default has occurred and is continuing (without having been cured or waived as provided in this Agreement) and during the period from the date hereof until the Facility A Termination Date, the Borrowers may request the issuance of Letters of Credit in accordance with ARTICLE 8.

3.4 **Notice Provisions**

- 3.4.1 For each Borrowing (other than a Swingline Advance), each optional repayment and each conversion with respect to the Facility A Credit, the

Agent shall have received prior to 10:00 a.m. (Montreal time) from a Borrower in writing a Notice of Borrowing, a Notice of Optional Repayment or a Notice of Conversion, as the case may be, in accordance with the following:

- 3.4.1.1 at least one (1) Banking Day prior to the Drawdown Date or the Conversion Date, as the case may be, for each Borrowing or conversion by way of Canadian Rate Advance or US Base Rate Advance,
 - 3.4.1.2 at least two (2) Banking Days prior to the Drawdown Date or Conversion Date, as the case may be, for each Borrowing or conversion by way of Acceptance,
 - 3.4.1.3 at least three (3) Business Days prior to the Drawdown Date or Conversion Date, as the case may be, for each Borrowing or conversion by way of Libor Advance or Euribor Advance;
 - 3.4.1.4 at least three (3) Business Days prior to the Optional Repayment Date for each optional repayment pursuant to Section 7.2; and
 - 3.4.1.5 for each Borrowing by way of a Letter of Credit, as provided in Section 8.7.
- 3.4.2 If a Borrower gives a Notice of Borrowing to the Agent in accordance with Section 3.4.1, the Agent shall by no later than 11:00 a.m. (Montreal time) on the same day it receives such Notice of Borrowing notify each Lender by telecopier of the particulars of such request for a Borrowing and of such Lender's Facility A Participation in the proposed Borrowing and each Lender shall, no later than 2:00 p.m. (Montreal time) on the Drawdown Date, make or procure to be made its Facility A Participation in the Borrowing available to the Agent.
- 3.4.3 Subject to the terms hereof, the Agent shall make each such Borrowing available to the relevant Borrower for value on the Drawdown Date.

3.5 **Pro Rata Treatment**

Except for Swingline Advances which shall be requested only from the Swingline Lender, the Borrowers agree to request through the Agent the Borrowing under the Facility A Credit from the Lenders pro rata in all respects according to their respective Facility A Commitments and the Lenders agree to make each such Borrowings available to the Borrowers, through the Agent, pro rata in all respects according to their respective Facility A Commitments. A Lender shall not be responsible for the Facility A Commitment of any other Lender. Without

prejudice to the rights of the Borrowers against a defaulting Lender, the failure or incapacity of a Lender to make available its Facility A Participation in a Borrowing to a Borrower in accordance with its obligations under this Agreement does not release the other Lenders from their obligations.

3.6 Accounts kept by the Agent

The Agent shall keep in its books, accounts for the Facility A Loan and other amounts payable by the Borrowers under this Agreement. The Agent shall keep appropriate registers showing the amount of the indebtedness of the Borrowers in respect of the Facility A Loan and showing each payment or repayment of principal and interest made in respect of such indebtedness. Such registers shall constitute (in the absence of manifest error) *prima facie* evidence of their content against the Borrowers and the Lenders; provided that the obligation of the Borrowers to pay or repay any indebtedness and liability in accordance with the terms and conditions of this Agreement shall not be affected by the failure of the Agent to keep such registers. The Agent shall supply any Lender and the Borrowers, on demand, with copies of such registers.

3.7 Accounts kept by each Lender

Each Lender shall keep in its books, in respect of its Facility A Participation in the Facility A Credit, accounts for the Facility A Loan and other amounts payable by the Borrowers to it under this Agreement. Each Lender shall make appropriate entries showing, as debits, the amount of the indebtedness of the Borrowers towards it in respect of the Facility A Loan, the amount of all accrued interest and any other amount due to such Lender pursuant hereto and, as credits, each payment or repayment of principal and interest made in respect of such indebtedness as well as other amounts paid to such Lender pursuant hereto. The provisions of this Section 3.7 shall apply *mutatis mutandis* to the Swingline Lender in respect of the Swingline Loan.

3.8 Conversion Option

At any time prior to the Facility A Maturity Date, subject to Section 5.3 and provided that no Default or Event of Default has occurred and is continuing (without having been cured or waived as provided in this Agreement), a Borrower may elect to convert by Notice of Conversion received by the Agent, and on the Conversion Date set forth therein such Borrower shall convert, any US Base Rate Loan, Canadian Rate Loan, Libor Loan, Euribor Loan or Bankers' Acceptance or any portion thereof outstanding under the Facility A Credit (each a "**Converted Advance**") into another basis of funding under the Facility A Credit (each a "**Conversion Advance**") other than Letters of Credit. The provisions of this Agreement relating to Canadian Rate Advances, US Base Rate Advances, Libor Advances, Euribor Advances and Acceptances shall apply *mutatis mutandis* to Conversion Advances comprising Canadian Rate

Advances, US Base Rate Advances, Libor Advances, Euribor Advances and Acceptances, respectively.

3.9 **Extension of Facility A Termination Date**

- 3.9.1 Subject to the terms and conditions of this Agreement and provided that no Default or Event of Default has occurred and is continuing (without having been cured or waived as provided in this Agreement), by notice in writing to the Agent no more than 180 days and no less than 90 days prior to the initial Facility A Termination Date and, thereafter, no more than 180 days and no less than 90 days prior to each anniversary date of this Agreement, the Borrowers may request that the then current Facility A Termination Date be extended by three hundred and sixty-four (364) days (a “**Request**”). The Agent shall forthwith on receipt of a Request give a copy of such notice to each Lender.
- 3.9.2 Each Lender may, in its sole discretion, by notice in writing to the Agent no later than sixty (60) days after the date of receipt by the Agent of the Request either agree to such Request or refuse to agree to such Request and if a Lender fails to give such a notice within such delay it shall be deemed to have refused to agree to such Request.
- 3.9.3 If the Agent shall have received by no later than sixty (60) days after the date of the receipt by the Agent of such Request a notice from each Lender by which each Lender agrees to such Request, the Facility A Termination Date then in effect shall, subject to and conditional on the Agent, at least ten (10) days prior to the first anniversary date of the Agreement occurring after such Request, sending a notice in writing to the Borrowers confirming such extension (a “**Confirmation Notice**”), be extended. If the Agent so sends such Confirmation Notice, then the then current Facility A Termination Date shall thereupon be extended by one (1) additional year and the new Facility A Termination Date shall be the first anniversary date of this Agreement to occur after the then current Facility A Termination Date.
- 3.9.4 No Lender shall be under any obligation or commitment to agree to any Request. If the Borrowers do not send any Request when they were entitled to do so or if any Lender does not agree to any Request as hereinabove provided, or if the Agent does not send a Confirmation Notice at least ten (10) days prior to the first anniversary date of the Agreement occurring after such Request, then the current Facility A Termination Date shall not be extended and the Borrowers shall have no further rights to request any further extension of the Facility A Termination Date.

- 3.9.5 On the Facility A Termination Date, any undrawn portion of Facility A Credit shall be automatically cancelled and the Facility A Commitment shall be automatically terminated.

- 3.10 **Swingline Loan**

- 3.10.1 At any time that a Borrower would be entitled to obtain Facility A Advances and to such extent provided in this Section 3.10, a Borrower shall be entitled to create or increase an overdraft in its CDollar Current Account or USDollar Current Account. The Swingline CDollar Availment and Swingline US Dollar Availment from time to time outstanding shall be deemed to be a Canadian Rate Loan or a US Base Rate Loan respectively.
- 3.10.2 The Borrowers undertake not to permit the Swingline Loan at any time to exceed the Swingline Limit at such time. For greater certainty and notwithstanding any other provision of this Agreement, the Swingline Lender shall not be obligated to permit at any time the creation or the increase of an overdraft in the CDollar Current Account or USDollar Current Account (a "**Swingline Advance**"), to the extent that at such time (A) the amount of such Swingline Advance would exceed the Facility A Available Commitment of the Lender which is the Swingline Lender at such time or (B) after giving effect to any such Swingline Advance: (i) the Swingline Loan plus the Swingline Lender's Facility A Participation in the Facility A Loan would exceed the Swingline Lender's Facility A Commitment at such time; (ii) the Facility A Loan plus the Swingline Loan would exceed the Facility A Total Commitment at such time; or (iii) the Swingline Loan would exceed the Swingline Limit.
- 3.10.3 It is the intention of the parties hereto that the Swingline Loan be available to the Borrowers pending the obtaining of Facility A Advances pursuant to Section 3.2. Accordingly, on any Banking Day the Swingline Loan equals or exceeds the Swingline Limit or, from time to time, as the Swingline Lender, in its sole and entire discretion, deems it appropriate, the Swingline Lender shall deliver a written notice to the Agent (which in turn will provide notice to, in accordance with the provisions of this Agreement, each of the Lenders and to the Borrowers), requiring repayment of the Swingline Loan then outstanding or any portion thereof. Such written notice from the Swingline Lender to the Agent shall be delivered not later than 10:00 a.m. (Montreal time) one (1) Banking Day prior to the proposed date of repayment of the Swingline Loan then outstanding or any portion thereof and any repayment amount specified in such notice shall be in a minimum amount of C\$500,000 or US\$500,000, as the case may be, and multiples of C\$100,000 or US\$100,000 respectively in excess thereof. The Borrowers shall be deemed to have given at such time a

Notice of Borrowing to the Agent requesting a Canadian Rate Advance and a US Base Rate Advance, as applicable, under the Facility A Credit in an amount equal to the portion of the Swingline Loan owing by the Borrowers and to be repaid as specified by the Swingline Lender. If the aggregate principal amount of all such requested Advances and the Facility A Loan outstanding would not exceed the Facility A Total Commitment at such time, and no Event of Default is then continuing, the Lenders shall make such requested Advances on the next Banking Day and the Agent shall apply the proceeds thereof in full and partial repayment, as the case may be, of the Swingline Loan then outstanding. The Agent shall promptly notify the Borrowers of any such Advance made, and the Borrowers agree to accept each such Advance and hereby irrevocably authorizes and directs the Agent to apply the proceeds thereof in payment of the Swingline Loan as aforesaid.

3.10.4 If at any time that the Facility A Total Commitment has been terminated following an Event of Default as provided in Section 13.2 and the Facility A Loan is not outstanding rateably from the Lenders (with the outstanding Swingline Loan being deemed for such purpose outstanding under the Swingline Lender's Facility A Commitment), any Lender from which excess Advances are outstanding (the "**Surplus Lender**") shall sell to any Lender from which deficit Advances are outstanding (the "**Deficit Lender**"), and the Deficit Lender shall purchase from the Surplus Lender, for cash, at par, without representation or warranty from or recourse to the Surplus Lender, an interest in such of the Advances outstanding from the Surplus Lender as results in the ratio of the Facility A Advances outstanding from all Lenders being equal to the ratio of their Facility A Commitments. The intention of this Section 3.10.4 is that when any and all purchases and sales required hereby have been completed, the outstanding Facility A Advances under the Facility A Credit will be outstanding rateably from the Lenders. The Agent, upon consultation with the Lenders, shall have the power to settle any documentation required to evidence any such purchase and sale and, if deemed advisable by the Agent, to execute any document as attorney for any Lender in order to complete any such purchase and sale. The Borrowers and the Lenders acknowledge that the foregoing arrangements are to be settled by the Lenders among themselves, and the Borrowers expressly consent to the foregoing arrangements among such Lenders.

3.10.5 Each of the Lenders shall indemnify and save harmless the Swingline Lender on a rateable basis based on the Facility A Commitment of each such Lender against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, payments or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Swingline Lender in any way related to or arising out of the Swingline

Loan or any Swingline Advance made by the Swingline Lender, except for any such liabilities resulting from the gross negligence or wilful misconduct of the Swingline Lender.

- 3.10.6 The Borrowers shall advise the Swingline Lender from time to time as to the allocation of the Swingline Limit between the C\$ Current Account and the US\$ Current Account.

ARTICLE 4 THE FACILITY B CREDIT

4.1 Facility B Credit

Subject to market availability and the terms and conditions of this Agreement, specifically including the satisfaction of the conditions precedent in Section 4.2, the Lead Swap Arranger agrees to make the Facility B Credit available to the Borrowers by entering into, from time to time until the Facility B Termination Date, Permitted Hedging Agreements with the Borrowers. The terms and conditions of each such Permitted Hedging Agreement, including pricing, shall be determined by the Lead Swap Arranger and committed to the Borrowers for acceptance. The Lead Swap Arranger has been appointed lead arranger on all Permitted Hedging Agreements with the Borrowers. The Lead Swap Arranger will offer the other Lenders an opportunity to enter into a Permitted Hedging Agreement with the Borrowers on terms and conditions identical to those under the Permitted Hedging Agreement entered into between the Borrowers and the Lead Swap Arranger but for a notional amount equal to such other Lender's Proportion of the aggregate notional amount in respect of which Permitted Hedging Agreements are outstanding, the whole subject to such arrangements as may be agreed between the Lead Swap Arranger and such other Lenders. For greater certainty, Section 7.8 of the Provisions shall apply to any such arrangements and any Permitted Hedging Agreement entered into between any Lender and the Borrowers.

4.2 Conditions for Swap Agreements under the Facility B Credit

The Lead Swap Arranger and the Lenders shall be under no obligation to enter into a Permitted Hedging Agreement unless all of the following conditions (in addition to the conditions set out in Sections 10.1 and 10.2) are satisfied in respect of each such Permitted Hedging Agreement:

- 4.2.1 such Permitted Hedging Agreement is not entered into for speculative purposes (and for greater certainty, the aggregate notional amount of all currency Permitted Hedging Agreements outstanding at any time shall not exceed the outstanding Advances under Facility A Credit at such time), shall not be for a term expiring after the Facility A Maturity Date or be subject to

terms and conditions which conflict with the repayment obligation of the Borrowers in respect of Facility A Credit;

- 4.2.2 the foreign exchange risk being managed is in a currency or currencies in which Cossette Group or any of its Subsidiaries does business, and the quantum or amount of any currency being hedged or managed is reasonable in relation to the volume of Cossette Group's or such Subsidiary's business being conducted in such currency;
- 4.2.3 the Borrowers shall execute an ISDA Master Agreement in form and substance acceptable to the Lead Swap Arranger and any Lender party hereto (if not the Lead Swap Arranger) and provide or cause to be provided all such other documentation and legal opinions as may be required by the Lead Swap Arranger or such Lender; and
- 4.2.4 all other conditions precedent in respect of Advances under Facility B Credit set forth in this Agreement or the relevant ISDA Master Agreement have been satisfied.

4.3 Obligations, Early Termination Events

The obligations of the Borrowers under Swap Agreements shall be Obligations and shall be secured by the Security Documents on a *pari passu* basis with the other Obligations outstanding from time to time. Each Permitted Hedging Agreement shall be deemed to stipulate that the termination of Facility A shall be an Early Termination Event (as defined in the ISDA Master Agreement evidencing same) and the Affected Party (as defined in such ISDA Master Agreement) shall be the counter-party to the Lender in such contract. The payment measure and the payment method (as such terms are understood in such ISDA Master Agreement) in respect of such Early Termination Event shall be as set forth in the Schedule to the relevant Permitted Hedging Agreement.

4.4 Mark to Market Value

The Borrowers shall not permit the Hedging Agreement Risk in respect of all outstanding Permitted Hedging Agreements to exceed at any time the maximum amount of the Facility B Credit. If at any time the Hedging Agreement Risk in respect of the outstanding Permitted Hedging Agreements, as determined by the Lead Swap Arranger in accordance with its usual practice exceeds the maximum amount of Facility B Credit, the Borrowers undertake to forthwith cancel one or more Permitted Hedging Agreements or make a rate adjustment payment under one or more Permitted Hedging Agreements to reduce the Hedging Agreement Risk in respect of all outstanding Permitted Hedging Agreements to an amount equal to or less than the maximum amount of Facility B Credit, or with the prior written consent of the Agent, and on such terms as the Agent may require, either provide additional cash security for the excess or take such other action as the Agent may require. Such cancellations and rate adjustments, as

between the Lenders only, shall be made in a manner acceptable to the Lead Swap Arranger acting reasonably. All costs associated with any such cancellations and rate adjustments shall be for the account of the Borrowers and the provisions of Section 9.10.4 shall apply thereto. An Event of Default shall not occur hereunder if the Hedging Agreement Risk in respect of all outstanding Permitted Hedging Agreements shall exceed at any time the maximum amount of the Facility B Credit, provided that the Borrowers have complied with their aforementioned undertaking.

ARTICLE 5 REPAYMENT

5.1 Mandatory Repayment of the Facility A Loan

5.1.1 The Borrowers shall repay in full the Facility A Loan to the Lenders on the Facility A Maturity Date together with all unpaid interest accrued and other amounts owing and unpaid under or pursuant to this Agreement and the other Loan Documents in respect of or in connection with the Facility A Credit and the Facility A Loan. In the event that on the Facility A Maturity Date there are any outstanding Bankers' Acceptances or Letters of Credit under the Facility A Credit, the Borrowers shall thereupon provide the Agent for the account of the Lenders with funds for the full face amount of all such Bankers' Acceptances and for the full amount of the Letter of Credit Exposure, it being understood and agreed that, subject to the compensation rights of the Agent and the Lenders, all funds provided by the Borrowers to the Lenders to cover any Letter of Credit Exposure shall be returned by the Agent to the Borrowers, with all interest accrued thereon, to the extent any Letters of Credit then outstanding are not drawn upon.

5.1.2 Should the amount of any payment by the Borrowers be applied against repayment of any Libor Loan Portion or Euribor Loan Portion on a day other than the last day of the then current Interest Period with respect of such Libor Loan Portion or Euribor Loan Portion, the Borrowers shall, in addition, pay the amount calculated as set forth in Section 9.10.3.

5.2 Optional Repayments of Facility A Loan

5.2.1 At any time prior to the Facility A Maturity Date, subject to Section 5.3, the Borrowers may elect to repay by a Notice of Optional Repayment received by the Agent and on the Optional Repayment Date set forth therein the Borrowers shall repay to the Agent for the account of the Lenders in CDollars, USDollars, £ or € as the case may be, all or part of the Facility A Loan outstanding by way of Canadian Rate Advances, US Base Rate Advances, Libor Advances and Euribor Advances with interest accrued to the date of

such repayment. Within the limits of the Facility A Available Commitment and subject to the terms of this Agreement, the Borrowers may reborrow under the Facility A Credit any amount so repaid; for greater certainty, the Borrowers may not reborrow any amount prepaid after the Facility A Termination Date. The provisions of this Section 5.2.1 shall not apply to the repayment of Swingline Advances, which repayment may be made by the Borrowers at any time and without notice.

5.2.2 An outstanding Letter of Credit may not be repaid or discharged prior to the expiry date of such Letter of Credit, except by the Issuing Bank, the Agent and the Lenders being fully released and discharged of all of their liabilities and obligations arising from such Letter of Credit and by written evidence satisfactory to the Agent of such full release and discharge being delivered to the Agent together with the original of such Letter of Credit which shall be returned to the Issuing Bank.

5.2.3 In addition, the Borrowers may, upon the notice provided for in Section 5.2.1, cancel any portion of the Facility A Credit which has not been drawn. No commitment fee (described in Section 6.11) shall be payable in respect of any portion of the Facility A Credit so cancelled as and from the effective date of its cancellation. The Borrowers shall not be permitted to draw Advances in respect of any portion of the Facility A Credit so cancelled.

5.3 **Requirements for Optional Repayments and Conversions of Loan**

Each Optional Repayment pursuant to Section 5.2 and conversion pursuant to Section 3.8 shall be subject to the following terms and conditions:

5.3.1 each repayment under Section 5.2 shall be in a minimum amount of C\$1,000,000 or, if the Advance was in US\$, US\$1,000,000 or, if the Advance was in £ or €, the Equivalent Amount of US\$1,000,00 or such larger amount as is an integral multiple of C\$250,000, US\$250,000 or the Equivalent Amount of \$250,000 as the case may be, and shall be made on a Banking Day, if only CDollars are repaid or prepaid, or on a Business Day, in all other cases, specified in the Notice of Optional Repayment;

5.3.2 each conversion from a Canadian Rate Loan shall be in a minimum amount of C\$500,000 or such larger amount as is an integral multiple of C\$100,000 and shall be made on a Banking Day specified in the Notice of Conversion;

5.3.3 each conversion from a US Base Rate Loan shall be in a minimum amount of US\$500,000 or such larger amount as is an integral multiple of US\$100,000 and shall be made on a Business Day specified in the Notice of Conversion;

- 5.3.4 each conversion from a Libor Loan or a Euribor Loan shall be in a minimum amount of US\$500,000 for Libor Loans in USDollars or the Equivalent Amount thereof in £ or € or such larger amount as is an integral multiple of US\$100,000 and shall be made on a Business Day specified in the Notice of Conversion;
- 5.3.5 each conversion from a Banker's Acceptance shall be in a minimum amount of C\$500,000, or such larger amount as is an integral multiple of C\$100,000, and shall be made on a Banking Day specified in the Notice of Conversion;
- 5.3.6 the Borrowers shall have given the Agent notice in accordance with Section 3.4 for each repayment and each conversion, each notice stating the proposed date of the repayment or conversion and either the aggregate principal amount and currency of the repayment or the aggregate principal amount and currency of the Converted Advance and the type of Conversion Advance;
- 5.3.7 if a Notice of Optional Repayment is given, it shall be irrevocable and binding on the Borrowers and the Borrowers shall repay on the Optional Repayment Date specified in such notice in the relevant currency, as the case may be, the amount stated in such notice with accrued interest to the date of such repayment; and if a Notice of Conversion is given it shall be irrevocable and binding on the Borrowers;
- 5.3.8 any repayment of or conversion from any Libor Loan Portion, Euribor Loan Portion or Bankers' Acceptance shall be made only on the last day of the then current Interest Period applicable to such Libor Loan Portion, Euribor Loan Portion or the maturity date of such Bankers' Acceptance, respectively, so to be repaid or converted; and
- 5.3.9 should any such repayment or conversion result in the repayment of or conversion from any Libor Loan Portion or Euribor Loan Portion on a day other than the last day of the then current Interest Period of such Libor Loan Portion or Euribor Loan Portion, the Borrowers shall, in addition, pay to the Lender the amount calculated as set forth in Section 9.10.3.

5.4 **Excess Advances**

The Equivalent Amount in CDollars of the aggregate outstanding amount of the US Base Rate Loan, the Libor Loans, Euribor Loans and all Letters of Credit outstanding in USDollars shall be determined by the Agent (i) on each Drawdown Date, (ii) on each Conversion Date, (iii) on the first day of each month, unless a Drawdown Date or Conversion Date occurred in the previous month and (iv) at such other times as may be reasonably decided by the Agent. In the

event that on such date of determination, the aggregate of the Facility A Loan in CDollars plus the Equivalent Amount in CDollars of the Facility A Loan in other currencies exceeds the then Facility A Total Commitment (the “**Facility A Excess**”), then the Borrowers shall within three (3) Business days after notice of the amount of such Facility A Excess pay to the Agent, for the account of the Lenders, the amount of such Facility A Excess; provided that nothing in this Section 5.4 shall operate to postpone any payment due hereunder. If, on the date any such payment of a Facility A Excess is due in respect of the Facility A Credit, the aggregate Canadian Base Rate Loan and the Equivalent Amount in CDollars of the US Base Rate Loan, the Libor Loans and the Euribor Loans under the Facility A Credit is less than the Facility A Excess, the Borrowers shall place and maintain with the Agent an interest bearing deposit in the amount of such deficiency until such deficiency has been eliminated, at which time such deposit shall be returned to the Borrowers, the whole subject to the compensation rights of the Agent and the Lenders.

5.5 **Authority to Debit**

In respect of all amounts payable by any Obligor under this Agreement or the other Loan Documents, each Obligor hereby irrevocably authorizes and instructs the Agent or any Lender to withdraw from or debit, from time to time when such amounts are due and payable, any account of such Obligor maintained with the Agent or such Lender or any of their respective Affiliates for the purpose of satisfying payment thereof. If any such amounts are payable in a currency other than that in which an account is maintained, such Obligor hereby irrevocably authorizes the Agent or any Lender to withdraw from or debit such account with the Equivalent Amount in such currency of the account, together with any premium or cost of exchange payable in connection therewith.

5.6 **Sharing of Payments**

Notwithstanding Article 5 of the Provisions, prior to the occurrence and continuation of any Event of Default and subject to the rights of any Lender who accepts an offer from the Lead Swap Arranger under Section 4.1, with respect of the Lenders, the Swingline Lender and the Lead Swap Arranger may obtain any payment in any manner whatsoever in respect of the Swingline Loan and Facility B, respectively, retain such payment and apply same against the Swingline Loan and the Borrowers' Obligations under Facility B, as the case may be, and other amounts owing in respect thereof (including, without limitation, interest) and shall have no obligation to remit to or share with any Lender such payment.

5.7 **Libor Loans and Euribor Loans – Renewals and Deemed Conversions**

At least three (3) Business Days prior to the last day of the then current Interest Period applicable to each Libor Loan Portion or Euribor Loan Portion, the relevant Borrower shall either (a) give a Notice of Conversion pursuant to Section 3.8 to convert such Libor Loan Portion or Euribor Loan Portion into another basis of funding or (b) by written notice to the Agent select

a new Interest Period in accordance with Section 6.7 applicable to such Libor Loan Portion or Euribor Loan Portion commencing on the last day of such Interest Period or (c) give a Notice of Optional Repayment pursuant to Section 5.2 to repay such Libor Loan Portion or Euribor Loan Portion on the last day of such Interest Period. If such Borrower fails to give a Notice of Conversion, a notice selecting a new Interest Period or a Notice of Optional Repayment in accordance with the foregoing or, having given such Notice of Optional Repayment, fails to repay such Libor Loan Portion or Euribor Loan Portion on the last day of such Interest Period, then on the last day of the Interest Period in respect of such Libor Loan Portion or Euribor Loan Portion, such Borrower shall be deemed to have notified the Agent of its intention to convert the relevant Libor Loan Portion or Euribor Loan Portion into a US Base Rate Loan on the last day of the Interest Period with respect to such Libor Loan Portion or Euribor Loan Portion and, on the last day of such Interest Period, such Libor Loan Portion or Euribor Loan Portion shall be converted into a US Base Rate Loan and interest shall be payable thereon at the US Base Rate.

ARTICLE 6 INTEREST AND FEES

6.1 Interest

The Borrowings shall bear interest from the date of each Advance, calculated on a daily basis and payable in arrears, on the Canadian Rate Loan at the Canadian Rate, on the US Base Rate Loan at the US Base Rate, on each Libor Loan Portion at the applicable LIBOR for such Libor Loan Portion and on each Euribor Loan Portion at the applicable Euribor for such Euribor Loan Portion for the then current Interest Period and all overdue amounts shall bear interest in accordance with Section 6.8. All outstanding amounts shall bear interest both before and after default and before and after judgment at the rates determined as aforesaid.

6.2 Payment of Interest on Libor Loan and Euribor Loan

On each Interest Payment Date in respect of each Libor Loan Portion or Euribor Loan Portion of a Lender, the Borrowers shall pay the Agent interest on such Libor Loan Portion or Euribor Loan Portion at the rate per annum determined by the Agent to be LIBOR or Euribor in respect of such Libor Loan Portion or Euribor Loan Portion for the applicable Interest Period. Upon determination of the applicable rate of interest on any Libor Loan Portion or Euribor Loan Portion, the Agent shall notify the Borrowers of this rate. The Agent will compute the interest on the basis of the actual number of days elapsed in the period for which such interest is payable divided by three hundred and sixty (360). The applicable rate of interest for each Euribor Loan Portion or Libor Loan Portion shall change simultaneously with any change in the Applicable Margin.

6.3 Payment of Interest on Canadian Rate Loan (excluding the Swingline Loan in CDollars)

On each Interest Payment Date in respect of the Canadian Rate Loan, the Borrowers shall pay the Agent interest on the Canadian Rate Loan (excluding however the Swingline Loan in CDollars) at the Canadian Rate. The Borrowers will pay this interest in arrears for the period up to but excluding such Interest Payment Date; the Agent will compute the interest on the basis of the actual number of days elapsed in the period for which such interest is payable divided by the actual number of days of the year. The applicable rate of interest for the Canadian Rate Loan will change simultaneously with any change in the Canadian Rate or the Applicable Margin.

6.4 Payment of Interest on the Swingline Loan in CDollars

On each Interest Payment Date in respect of the Canadian Rate Loan, the Borrowers shall pay the Swingline Lender interest on the portion of the Swingline Loan outstanding in CDollars at the Canadian Rate. The Borrowers shall pay this interest in arrears for the period up to but excluding such Interest Payment Date; the Swingline Lender will compute the interest on the basis of the actual number of days elapsed in the period for which such interest is payable divided by the actual number of days of the year. The applicable rate of interest for such portion of the Swingline Loan will change simultaneously with any change in the Canadian Rate or the Applicable Margin.

6.5 Payment of Interest on US Base Rate Loan (excluding the Swingline Loan in USDollars)

On each Interest Payment Date in respect of the US Base Rate Loan, the Borrowers shall pay the Agent interest on the US Base Rate Loan (excluding however the portion of the Swingline Loan outstanding in USDollars) at the US Base Rate. The Borrowers shall pay this interest in arrears for the period up to but excluding such Interest Payment Date; the Agent will compute the interest on the basis of the actual number of days elapsed in the period for which such interest is payable divided by the actual number of days of the year. The applicable rate of interest for the US Base Rate Loan will change simultaneously with any change in the US Base Rate or the Applicable Margin.

6.6 Payment of Interest on the Swingline Loan in USDollars

On each Interest Payment Date in respect of the US Base Rate Loan, the Borrowers shall pay the Swingline Lender interest on the portion of the Swingline Loan outstanding in USDollars at the US Base Rate. The Borrowers shall pay this interest in arrears for the period up to but excluding such Interest Payment Date; the Swingline Lender will compute the interest on the basis of the actual number of days elapsed in the period for which such interest is payable divided by the actual number of days of the year. The applicable rate of interest for such portion

of the Swingline Loan will change simultaneously with any change in the US Base Rate or the Applicable Margin.

6.7 Selection of Interest Periods

In each Notice of Borrowing delivered pursuant to Section 3.2 and each Notice of Conversion delivered pursuant to Section 3.8 in which a Borrower has elected a Borrowing or Conversion Advance comprising a Libor Loan Portion or a Euribor Loan Portion, such Borrower shall and, at least three (3) Business Days prior to the last day of each Interest Period in respect of each Libor Loan Portion or Euribor Loan Portion, such Borrower may, select and notify the Agent of the Interest Period applicable to such Libor Loan Portion or Euribor Loan Portion commencing on the Drawdown Date, Conversion Date or last day of the Interest Period, as the case may be, and ending on a Business Day, which period shall be one (1) month, two (2) months or three (3) months as such Borrower may elect, the whole subject to market availability; provided, however, that:

- 6.7.1 if such Borrower fails to so elect the duration of any Interest Period, such Borrower shall be deemed to have selected an Interest Period of one (1) month;
- 6.7.2 no Interest Period in respect of a Libor Loan Portion or a Euribor Loan Portion under the Facility A Credit shall end after the Facility A Maturity Date; and
- 6.7.3 the aggregate amount in respect of which a Borrower selects an Interest Period shall not be less than, for a Libor Advance in USDollars, US\$500,000 and in integral multiples of US\$100,000 in excess thereof and, for a Libor Advance in £ or a Euribor Loan Advance in €, the Equivalent Amount of US\$500,000 and in integral multiples of US\$500,000 in excess thereof.

6.8 Default Interest

To the extent permitted under the *Interest Act* (Canada), if the Borrowers default in any payment of principal, interest or any other amount due pursuant to this Agreement, the Borrowers shall pay to the Agent (or the Swingline Lender in respect of the Swingline Loan) on demand interest on such overdue principal, overdue interest and other overdue amount, from the date the amount is due until the date it is paid in full, and all interest on overdue principal, all overdue interest and all interest on overdue interest shall be compounded monthly, at the rates per annum as follows:

- 6.8.1 with respect to the Libor Loan and any Libor Advance and the Euribor Loan and any Euribor Advance, the Borrowers shall be deemed to have elected that any amount of principal of the Libor Loan or any Libor Loan Portion or Libor Advance or of the Euribor Loan or any Euribor Loan Portion or Euribor

Advance which is not paid when due shall thereupon cease to be a Libor Loan or Libor Advance or a Euribor Loan or Euribor Advance and shall be a US Base Rate Advance and the Borrowers shall pay interest on all such overdue principal and any overdue interest and interest on interest thereon at a fluctuating rate per annum at all times equal to the US Base Rate plus 2%;

6.8.2 on overdue principal of, and overdue interest on, the Canadian Rate Loan and on any other amounts owing in CDollars, at a fluctuating rate per annum at all times equal to the Canadian Rate plus 2%; and

6.8.3 on overdue principal of, and overdue interest on, the US Base Rate Loan and on any other amounts owing in USDollars by the Borrower, at a fluctuating rate per annum at all times equal to the US Base Rate plus 2%.

6.9 **Determination of Interest Rates**

6.9.1 Each determination by the Agent from time to time of the Canadian Rate, the US Base Rate, LIBOR, Euribor, any Discount Rate and any Applicable Margin shall, in the absence of manifest error, be final, conclusive and binding upon the Borrowers and the Lenders.

6.9.2 For the purposes of the *Interest Act* (Canada):

6.9.2.1 whenever any interest or fee under this Agreement is calculated using a rate based on a year of 360 days or 365 (or 366 in a leap year) days, such rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (a) the applicable rate based on a year of 360 days or 365 (or 366 in a leap year) days, as the case may be, (b) 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 (c) divided by 360 or 365 (or 366 in a leap year) as the case may be;

6.9.2.2 the principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement; and

6.9.2.3 the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

6.10 **Acceptance Fee**

If a Borrower notifies the Agent pursuant to Section 3.2, 3.8 or 7.2 that a Borrowing or a Conversion Advance is to be made by way of, or of a renewal of, Bankers' Acceptances (or, as the case may be, BA Equivalent Advances), the Borrowers shall pay in CDollars at or prior to

the time of the Acceptance of each Bankers' Acceptance an Acceptance Fee on the face value of each Bankers' Acceptance accepted by a Lender. The Acceptance Fee shall be computed on the basis of the actual number of days of the Bankers' Acceptance divided by the actual number of days of the year.

6.11 Commitment Fees

6.11.1 The Borrowers shall pay to the Agent, for the account of each Lender, a commitment fee from the date of this Agreement until the Facility A Maturity Date calculated on a daily basis on the amount of such Lender's Facility A Available Commitment at the rate per annum equal to the Applicable Margin with respect to the calculation of the Commitment Fee in effect from time to time during the period for which such payment is made, payable in arrears on the first day of the calendar month following each fiscal quarter of the Borrower, and if such day is not a Banking Day, then on the next following Banking Day, commencing on January 1, 2009, and also on the Facility A Maturity Date. For the purpose of this Section 6.11.1, each Lender's Facility A Available Commitment means at any time such Lender's Facility A Commitment at such time less its Facility A Participation in the amount of the Facility A Loan in CDollars, less the Swingline Loan (in the case of the Swingline Lender) in CDollars at such time, less its Facility A Participation in the Equivalent Amount in CDollars of the Facility A Loan in USDollars or other currencies at such time and less the Equivalent Amount in CDollars of the Swingline Loan in USDollars (in the case of the Swingline Lender). For the purposes of this Section 6.11.1, the Equivalent Amount in CDollars to be determined for any day of a month comprised in any calculation period shall be deemed to be the noon spot rate in effect on the first Business Day in such month. Such fee is payable in CDollars.

6.11.2 The commitment fee shall accrue from day to day and be calculated on the basis of a year of 365 (or 366 in a leap year) days for the actual number of days elapsed. Under no circumstances shall any such commitment fee be refundable either in whole or in part, even if no Advance is ever made under the terms hereof.

6.12 Agency Fee

The Borrowers agree to pay the Agent an annual agency fee, payable in advance on the date of this Agreement and annually on each anniversary date thereafter during the term of this Agreement, in accordance with the provisions of the Fee Letter.

6.13 Other Fees

The Borrowers shall pay any other fees set forth in the Fee Letter and in accordance with the provisions thereof.

**ARTICLE 7
BANKERS' ACCEPTANCES**

7.1 Bankers' Acceptances

Subject to the terms and conditions hereof, the Borrowers may borrow from the Lenders on any Banking Day up to the amount of the Facility A Available Commitment of each Lender by way of Acceptances upon giving to the Agent prior written notice in accordance with Section 3.4 by means of a Notice of Borrowing, and provided that:

- 7.1.1 each Bankers' Acceptance is denominated in CDollars and the minimum aggregate amount of each Borrowing by way of Bankers' Acceptances shall be C\$500,000 or in integral multiples of C\$100,000 in excess of such minimum amount;
- 7.1.2 each Lender shall have received a Bankers' Acceptance or Bankers' Acceptances in the principal amount of such Lender's Proportion of such Borrowing from such Lender in due and proper form duly completed and executed by the relevant Borrower, or each Lender on its behalf pursuant to the provisions of Section 7.5, and presented for acceptance to such Lender prior to 10:00 a.m. (Montreal time) on the Drawdown Date and the Acceptance Fee shall have been paid to the Agent, for the account of such Lender, at or prior to such time;
- 7.1.3 each Bankers' Acceptance shall be stated to mature on a Banking Day no later than the Facility A Maturity Date, which is approximately thirty (30), sixty (60) or ninety (90) days from the date of its Acceptance, the whole subject to market availability;
- 7.1.4 no days of grace shall be permitted on any Bankers' Acceptance; and
- 7.1.5 the aggregate face amount of the Bankers' Acceptances to be accepted by a Lender shall be determined by the Agent by reference to such Lender's Facility A Commitment, except that, if the face amount of a Bankers' Acceptance which would otherwise be accepted by a Lender pursuant to a Borrowing would not for any reason be a whole multiple of C\$100,000, such face amount shall be increased or reduced by the Agent in its sole discretion to the nearest whole multiple of C\$100,000, as appropriate.

7.2 Payments at Maturity and Renewals

Prior to the maturity date of each Bankers' Acceptance, the relevant Borrower shall either (a) give a Notice of Conversion pursuant to Section 3.8 to convert such Bankers' Acceptance into another basis of funding or (b) by written notice to the Agent request that the Loan or that part referred to in such notice outstanding by Bankers' Acceptance be renewed in the same form of Borrowing for a term commencing on the maturity date of such Bankers' Acceptance, and the provisions of this Agreement relating to Bankers' Acceptances shall apply *mutatis mutandis* to such renewal. If for any reason the relevant Borrower fails to give a Notice of Conversion or a renewal notice in accordance with the foregoing, it shall be deemed for all purposes to have received on the maturity date of each such Bankers' Acceptance a Canadian Rate Advance in an amount equal to the face value of each such Bankers' Acceptance (which Banker's Acceptance shall be repaid with the proceeds of said Canadian Rate Advance) and it shall pay interest thereon at the Canadian Rate until repayment thereof in full by it, the whole notwithstanding the fact that any Bankers' Acceptances may be held by a Lender in its own right at maturity. The Borrowers acknowledge, agree and confirm with the Lenders that the records of each Lender in respect of payment of any Bankers' Acceptance by such Lender shall be binding on the Borrowers and shall be conclusive evidence (in the absence of manifest error) of a Canadian Rate Advance to the Borrowers and of an amount owing by the Borrowers to such Lender. The Borrowers further agree that if an Event of Default shall occur prior to the date upon which any one or more Bankers' Acceptance is issued by a Borrower is payable by a Lender, thereupon the Borrowers shall provide such Lender with funds for the full face amount of all such Bankers' Acceptances, notwithstanding the fact that any such Bankers' Acceptance may be held by such Lender in its own right at maturity; provided, however, that if for any reason the Borrowers fail to make such payment in respect of any Bankers' Acceptance, thereupon the Borrowers shall be deemed for all purposes to have received a Canadian Rate Advance in an amount equal to the face amount of such Bankers' Acceptance and the Borrower shall pay interest thereon at the Canadian Rate until repayment thereof in full.

7.3 BA Equivalent Advances

In the event a Lender is unable to accept Bankers' Acceptances, such Lender shall have the right at the time of accepting drafts to require the relevant Borrower to accept an Advance from such Lender in lieu of the issue and acceptance of a Bankers' Acceptance requested by such Borrower to be accepted so that there shall be outstanding while the Bankers' Acceptances are outstanding BA Equivalent Advances from such Lender as contemplated herein. The principal amount of each BA Equivalent Advance shall be that amount which, when added to the face amount of interest (calculated at the Discount Rate) which will accrue during the BA Equivalent Interest Period shall be equal, at maturity, to the face amount of the drafts which would have been accepted by such Lender had it accepted Bankers' Acceptances. The "**BA Equivalent Interest Period**" for each BA Equivalent Advance shall be equal to the term of the drafts presented for acceptance as Bankers' Acceptances on the relevant Drawdown Date or Conversion Date.

On the relevant Drawdown Date or Conversion Date or renewal date, the Borrowers shall pay to the Agent a fee equal to the Acceptance Fee which would have been payable to such Lender if it were a Lender accepting drafts having a term to maturity equal to the applicable BA Equivalent Interest Period and an aggregate face amount equal to the sum of the principal amount of the BA Equivalent Advance and the interest payable thereon by the Borrowers for the applicable BA Equivalent Interest Period.

The provisions of this Agreement dealing with Bankers' Acceptances shall apply, *mutatis mutandis*, to BA Equivalent Advances.

7.4 Purchase of Bankers' Acceptances

Each Bankers' Acceptance issued pursuant to this Agreement shall be purchased by the Lender accepting such Bankers' Acceptance for the applicable Discounted Proceeds thereof. In each case, upon receipt of such Discounted Proceeds from the Lenders and upon fulfilment of the applicable conditions set forth in ARTICLE 10, the Agent shall make such funds available to the relevant Borrower in accordance with this Agreement.

Upon each issue of Bankers' Acceptances as a result of the conversion of outstanding Borrowings into Bankers' Acceptances or renewal of Bankers' Acceptances, the Borrowers shall, concurrently with the conversion, pay in advance to the Agent on behalf of the Lenders, the amount by which the face value of such Bankers' Acceptances exceeds the Discounted Proceeds of such Bankers' Acceptances, to be applied against the principal amount of the Borrowing being so converted. The Borrowers shall at the same time pay to the Agent the applicable Acceptance Fee.

The Borrowers acknowledge and agree that each Lender may, at any time, arrange for its Participant or Eligible Assignee to accept and purchase Bankers' Acceptances hereunder. Any such acceptance by a Participant or Eligible Assignee shall be deemed to be an Acceptance by such Lender for the purposes of this Agreement.

7.5 Power of Attorney

In order to facilitate issuance of Bankers' Acceptances pursuant hereto, in accordance with the instructions given from time to time by the Borrowers, the Borrowers hereby authorize each Lender, and for this purpose appoint each Lender its lawful attorney, to complete and sign Bankers' Acceptances on its behalf, in handwritten or facsimile or mechanical signature or otherwise, and once so completed, signed and endorsed, and following acceptance of them as Bankers' Acceptances, to purchase, discount or negotiate such Bankers' Acceptances in accordance with the provisions of this ARTICLE 7, and to provide the net Discounted Proceeds to the Agent in accordance with the provisions hereof. Drafts so completed, signed, endorsed and negotiated on behalf of a Borrower by any Lender shall bind the Borrowers as fully and effectively as if so performed by an authorized officer of such Borrower. Each Lender shall

maintain a record with respect to such instruments (i) received by it hereunder, (ii) voided by it for any reason, (iii) accepted by it hereunder and (iv) cancelled at their respective maturities. Each Lender agrees to provide such records to the Borrowers promptly upon request and, at the request of the Borrowers, to cancel such instruments which have been so completed and executed and which are held by such Lender and have not yet been issued hereunder.

7.6 **Restriction**

Notwithstanding any other provision of this Agreement to the contrary, Advances by way of Bankers' Acceptances shall only be available to the Borrowers five (5) Business Days after the Financial Close.

ARTICLE 8 LETTERS OF CREDIT

8.1 **Letter of Credit Commitment**

Subject to the terms and conditions hereof, BMO, as initial Issuing Bank, on behalf of the Lenders, and in reliance on the agreements of the Lenders set forth in Section 8.2, agrees to issue, for the account of the Borrowers, Letters of Credit in CDollars, USDollars or in any other currency offered by an Issuing Bank under the Facility A Credit on any Business Day during the period from the date hereof until the date occurring one month prior to the Facility A Maturity Date; provided that (i) except as provided in this Section 8.1, the term of any Letter of Credit shall not exceed 364 days or end after the Facility A Maturity Date, (ii) the Letter of Credit Exposure in respect of such Letters of Credit shall not cause the then Facility A Available Commitment to be exceeded, and (iii) the total amount of issued and outstanding Letters of Credit does not exceed the amount set forth in Section 3.1.4. The Letters of Credit Exposure shall not, at any time, exceed C\$2,500,000 for letters of guarantee for terms of more than 12 months and up to 36 months. Further, the Letters of Credit Exposure on letters of guarantee issued on behalf of a Guarantor shall not exceed at any time C\$2,500,000 in the aggregate.

8.2 **Letter of Credit Participations**

The Issuing Bank irrevocably grants, and in order to induce the Issuing Bank to issue its Letters of Credit hereunder, each Lender irrevocably accepts and hereby purchases for its own account and risk from the Issuing Bank, on the terms and conditions hereinafter stated, an undivided interest equal to such Lender's Facility A Participation in the Issuing Bank's obligations and rights under each Letter of Credit issued hereunder and the amount of each draft paid by the Issuing Bank thereunder. Each Lender unconditionally and irrevocably agrees with the Issuing Bank that, on or before the close of business of the Issuing Bank, on each day on which a draft is paid under a Letter of Credit for which the Issuing Bank is not reimbursed in full by the Borrowers in accordance with the terms of this Agreement, including, without limitation, pursuant to Section 8.8.1 (a "Participation Date"), such Lender will pay to the Agent for the

account of the Issuing Bank at the Agent's office specified in Section 9.1 such Lender's Facility A Participation of any unpaid Reimbursement Obligation. This obligation of each Lender is unconditional and, for greater certainty, shall apply both before and after the occurrence of any Default or Event of Default, both before and after the Facility A Maturity Date and both before and after the termination or cancellation of the Facility A Total Commitment. The Issuing Bank shall notify the Agent and each Lender of the occurrence of a Participation Date, and the amount payable by it to the Issuing Bank based on such Lender's Facility A Participation. Any such notice may be oral if promptly confirmed in writing (including telecopy). If any Lender fails to make any such payment on or prior to the first Business Day after such Lender receives notice as provided above, then interest shall accrue on such Lender's obligation to make such payment during the period from such Business Day to the day such Lender makes such payment (or if earlier, the date on which the Borrowers reimburse the Issuing Bank for such unpaid Reimbursement Obligation) at the rate specified in Section 6.1 of the Provisions; such interest shall be payable by such Lender.

8.3 Repayment of Participants

Upon and only upon receipt by the Issuing Bank of funds from the Borrowers in full or partial reimbursement of any draft paid under a Letter of Credit with respect to which any Lender has theretofore paid the Agent for the account of the Issuing Bank in full for such Lender's participation pursuant to Section 8.2 and in full or partial payment of interest, commissions or fees on such draft paid under a Letter of Credit, the Issuing Bank will pay to such Lender, in the same funds as those received by the Issuing Bank, or net against any then due obligation of such Lender under Section 8.2 to make any payment to the Issuing Bank, such Lender's Facility A Participation of such funds.

8.4 Role of the Issuing Bank

The Issuing Bank will exercise and give the same care and attention to each Letter of Credit as it gives to its other letters of credit and similar obligations, and the Issuing Bank's sole liability to each Lender shall be to distribute pursuant to Section 8.3 promptly, as and when received by the Issuing Bank, each Lender's Facility A Participation of any payments made to the Issuing Bank by the Borrowers. Each Lender agrees that, in paying any drawing under a Letter of Credit, the Issuing Bank shall not have any responsibility to obtain any document (other than as required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of any Person delivering any such document. Neither the Issuing Bank nor any of its representatives, officers, employees or agents shall be liable to any Lender for (a) any action taken or omitted to be taken in connection herewith at the request or with the approval of the Majority Lenders, (b) any action taken or omitted to be taken in the absence of gross negligence or wilful misconduct, (c) any recitals, statements, representations or warranties contained in any document distributed to any Lender, (d) the creditworthiness of the Borrowers, or (e) the execution, effectiveness, genuineness, validity, or enforceability of any Letter of Credit, or any other document contemplated thereby. The Issuing Bank shall not incur

any liability (i) by acting in reliance upon any notice, consent, certificate, statement or other writing (which may be a bank wire, telecopier or similar writing) believed by it to be genuine or to be signed by the proper party or parties or (ii) by acting as permitted under Section 8.14. The obligations of the Lenders hereunder are joint and not solidary, and no Lender shall be liable for the performance or non-performance of the obligations of any other Lender under this ARTICLE 8. In the event of gross negligence or wilful misconduct on the part of the Issuing Bank in the payment of any draft under a Letter of Credit, the Issuing Bank shall repay to each Lender any amount paid by such Lender to the Issuing Bank pursuant to Section 8.2.

8.5 Obligations of Each Lender Absolute

Each Lender acknowledges that its obligations to the Issuing Bank under this ARTICLE 8, including the obligation to purchase and fund a participation in the obligations and rights of the Issuing Bank under each Letter of Credit and any unpaid Reimbursement Obligation, is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, (i) the occurrence and continuance of a Default or an Event of Default, (ii) the fact that a condition precedent to the issuance of any Letter of Credit was not in fact satisfied, (iii) any failure or inability of any other Lender to purchase or fund such a participation hereunder, or (iv) any other failure by any other Lender to fulfil its obligations hereunder. Each payment by a Lender to the Issuing Bank for its own account or the Agent for the account of the Issuing Bank shall be made without any offset, compensation, abatement, withholding or reduction whatsoever.

8.6 Reinstatement and Survival

Notwithstanding anything herein to the contrary, if the Issuing Bank is required at any time whether before or after the Facility A Maturity Date to make any payment under a Letter of Credit which was outstanding on or before the Facility A Maturity Date, each Lender shall pay over to the Issuing Bank, in accordance with the provisions of this ARTICLE 8, the amount of such Lender's Facility A Participation of such amount. If the Issuing Bank is required at any time (whether before or after the Facility A Maturity Date) to return to the Borrowers or to a trustee, receiver, liquidator, custodian or other similar official any portion of the payments made by or on behalf of the Borrowers to the Issuing Bank in reimbursement of Reimbursement Obligations and interest thereon, each Lender shall, on demand of the Issuing Bank, forthwith pay over to the Issuing Bank for its account or the Agent for the account of the Issuing Bank such Lender's Facility A Participation of such amount, plus interest thereon from the day such demand is made to the day such amount is returned by such Lender to the Issuing Bank at the rate specified in Section 6.1 of the Provisions.

8.7 Procedure for Issuance and Renewal of Letters of Credit

- 8.7.1 A Borrower may request the Issuing Bank, with a copy to the Agent, to issue a Letter of Credit under the Facility A Credit by delivering to the Issuing Bank

at its office specified from time to time to the Borrowers a commercial letter of credit application or a standby letter of credit application or a letter of guarantee application, as appropriate, on the Issuing Bank's then customary form for a commercial letter of credit or standby letter of credit or letter of guarantee respectively (each such form, as it may be modified from time to time, a "**Letter of Credit Application**"), completed to the satisfaction of the Issuing Bank, together with the proposed form of such Letter of Credit (which shall comply with the applicable requirements set forth herein) and such other certificates, documents and other papers and information as the Issuing Bank may reasonably request; provided that in the event of a conflict between this Agreement and the applicable Letter of Credit Application, this Agreement shall govern with respect to such conflict.

8.7.2 Within five (5) Business Days following the date on which the Issuing Bank shall have received an application for the issuance of a Letter of Credit including the form thereof, and such additional certificates, documents and other papers and information as the Issuing Bank may have reasonably requested in satisfaction of all conditions to the issuance thereof, the Issuing Bank shall, provided the conditions of ARTICLE 10 have been complied with, issue such Letter of Credit (if a Borrower shall have requested that such Letter of Credit be issued immediately) or (if a Borrower shall have requested in the related Letter of Credit Application that such Letter of Credit be issued at a later date) the Agent shall notify the Borrowers that the Issuing Bank shall, provided the conditions of ARTICLE 10 have been complied with, issue such Letter of Credit on such later date, or that the Issuing Bank shall not issue such Letter of Credit by reason of a provision set forth herein.

8.7.3 A Borrower may request the extension or renewal for up to 364 days of a Letter of Credit issued for its account hereunder which is not automatically renewed in accordance with the terms contained therein, by giving written notice to the Agent and the Issuing Bank at least ten (10) Business Days prior to the then current expiry date of such Letter of Credit (provided that the Issuing Bank may accommodate notices on shorter notice in its sole discretion). If the conditions precedent in Section 10.2 shall have been fulfilled as required thereby, the Issuing Bank shall promptly issue such extension or renewal.

8.7.4 With respect to any Letter of Credit issued hereunder which by its terms is automatically renewed or extended unless notice to the contrary is received by the beneficiary thereunder within the time period set forth therein (the "**Revocation Period**"), the Issuing Bank shall, upon receipt of notice from the Agent (which notice must be received by the Issuing Bank not later than noon, Montreal time, ten (10) Business Days prior to the expiration of the

Revocation Period), to the effect that the Majority Lenders have elected not to extend the current expiry date of such Letter of Credit, promptly notify the Borrowers and the beneficiary thereunder that such Letter of Credit shall not be renewed.

- 8.7.5 Notwithstanding anything to the contrary in this Agreement, (a) the Issuing Bank shall have no obligation to extend or renew any Letter of Credit issued hereunder to a maturity date extending beyond the Facility A Maturity Date or at any time when a Default or an Event of Default has occurred which has not been waived or cured, and (b) no Lender shall have any obligation to purchase a participation in the Issuing Bank's obligations and rights under any Letter of Credit extended or renewed to a date beyond the Facility A Maturity Date.

8.8 **Reimbursement of the Issuing Bank**

- 8.8.1 In the event that any drawing shall be made under any Letter of Credit, and if no Event of Default shall have occurred and be continuing,

8.8.1.1 the Issuing Bank shall promptly notify the Borrowers of such payment and of the amount thereof,

8.8.1.2 the payment by the Issuing Bank of such drawing shall constitute a Canadian Rate Advance under the Facility A Credit to the Borrowers by the Lenders according to their respective Facility A Participation if such Letter of Credit was in CDollars, £ or € or a US Base Rate Advance under the Facility A Credit to the Borrowers by the Lenders according to their respective Facility A Participation if such Letter of Credit was in USDollars and the Borrower shall pay interest thereon at the US Base Rate;

8.8.1.3 the Issuing Bank shall notify each Lender by telecopier or by telephone (confirmed by telecopier) of such drawing and of the portion thereof constituting a Canadian Rate Advance and of the portion thereof constituting a US Base Rate Advance, and immediately upon receipt of such notice, each Lender shall make its Facility A Participation, in CDollars or USDollars, as applicable, available to the Issuing Bank by wire transfer of immediately available funds to the office of the Issuing Bank specified in such notice.

- 8.8.2 In the event that a drawing shall be made under any Letter of Credit and a Default or an Event of Default has occurred and is continuing (without having been cured or waived as provided in this Agreement), no Canadian Rate Advance or US Base Rate Advance, as applicable, shall be deemed to have

been made in respect of such drawing and the Borrowers (i) shall reimburse the Issuing Bank for the amount paid on each draft drawn under each Letter of Credit not later than the close of business on the day on which the Borrowers receive notice of such drawing, and (ii) shall pay, (A) all charges and expenses relating to such drawing as may be payable in accordance with Section 8.9 and (B) interest at the rate specified in Section 8.10 on the amount of such drawing for the period commencing on the date of any such payment and ending on the date reimbursement is received by the Issuing Bank.

8.9 Commissions, Fees and Charges

- 8.9.1 The Borrowers agree to pay for each Letter of Credit which a Borrower has requested to be issued, to (A) the Issuing Bank (solely for the account of the Issuing Bank) a non-refundable fronting fee with respect to each Letter of Credit, in an amount equal to 0.125% per annum of the face amount thereof, provided that such non-refundable fronting fee shall only be payable to the Issuing Bank with respect to any Letter of Credit while there is more than one (1) Lender under this Agreement during the period when such Letter of Credit is outstanding, and (B) the Agent for the account of each Lender, a non-refundable Letter of Credit Commission, computed at a rate equal to the Applicable Margin with respect to the calculation of Letter of Credit Commission times such Lender's Facility A Participation of the aggregate amount available to be drawn under such Letter of Credit, provided the minimum Letter of Credit Commission in respect of any Letter of Credit shall be C\$400. Such fronting fee shall be payable quarterly in advance for the number of days outstanding, at the rate specified above and in the currency of such Letter of Credit, commencing on the date of issuance of such Letter of Credit and thereafter on the last day of each March, June, September and December so long as such Letter of Credit shall remain outstanding. The Letter of Credit commissions shall be payable quarterly in arrears for the number of days outstanding, at the rate specified above and in the currency of such Letter of Credit, commencing on the last day of each March, June, September and December and on the Facility A Maturity Date, so long as such Letter of Credit shall remain outstanding.
- 8.9.2 The Agent shall promptly distribute, at the end of each calendar quarter, all Letter of Credit Commissions received for the account of each Lender by the Agent during such calendar quarter, together with a statement from the Agent reconciling the collection and distribution of such commissions.

8.10 Interest on Amounts Disbursed under Letters of Credit

The Borrowers agree to pay to the Issuing Bank interest on any and all amounts disbursed after the occurrence of a Default or Event of Default which has not been cured or waived as provided in this Agreement by the Issuing Bank under any Letter of Credit issued for its account from the date of disbursement until reimbursed in full at the rates mentioned in Section 8.8.1. Interest accrued hereunder shall be payable on demand. For the purposes of computing the number of days for which interest shall accrue on amounts disbursed under Letters of Credit, payments received by the Issuing Bank after 1:00 P.M., Montreal time, shall be deemed to have been received on the next following Business Day. All payments (including prepayments) by the Borrowers to the Issuing Bank, whether on account of the Borrowers' Reimbursement Obligation or interest thereon, on account of any fees due hereunder or otherwise, shall be made in the currency of the Letter of Credit and in immediately available funds without set off, compensation or counterclaim to the Issuing Bank.

8.11 Computation of Interest and Fees; Payment not on Business Days

- 8.11.1 Interest and per annum fees due under this ARTICLE 8 shall be computed on the basis of a year of 365 (or 366 in a leap year) days for actual days elapsed. Any change in any interest rate hereunder resulting from a change in the Canadian Rate, the US Base Rate or any Applicable Margin, shall become effective as of the opening of business on the day on which such change in the Canadian Rate, the US Base Rate or an Applicable Margin becomes effective.
- 8.11.2 If any payment under this ARTICLE 8 becomes due and payable on a day which is not a Banking Day for payments in CDollars or a Business Day for payments in USDollars, the maturity thereof shall be extended to the next succeeding Banking Day or Business Day, as the case may be, and in the case of any amount disbursed under a Letter of Credit, interest thereon shall be payable at the then applicable rate during such extension.

8.12 Further Assurances

The Borrowers hereby agree from time to time, to do and perform any and all acts and to execute any and all further instruments required or reasonably requested by the Issuing Bank to more fully effect the purposes of this ARTICLE 8 and the issuance of the Letters of Credit hereunder.

8.13 Existing Letters of Credit under the Existing Credit Agreement

The parties hereto expressly acknowledge and agree that as of and from the Financial Close:

- 8.13.1 the Existing Letters of Credit shall be deemed to have been issued pursuant to a Notice of Borrowing under the Facility A Credit and to form part of the Letter of Credit Exposure hereunder;
- 8.13.2 BMO shall be deemed to be the Issuing Bank with respect to such Existing Letters of Credit; and
- 8.13.3 the Borrowers shall pay a Letter of Credit Commission with respect to such Existing Letters of Credit calculated in accordance with the provisions of Section 8.9.1 and distributed in accordance with the provisions of Section 8.9.2, the whole as if the term of such Existing Letters of Credit had commenced on the Financial Close. Accordingly, the Letter of Credit Commission payable pursuant to Section 8.9.1 will accrue as of and from the Financial Close, it being understood and agreed, for greater certainty, that the Borrowers shall pay the fronting fees contemplated in subsection 8.9.1 (A) with respect to the Existing Letters of Credit.

8.14 **Nature of Obligations; Indemnities**

- 8.14.1 The obligations of the Borrowers hereunder shall be absolute and unconditional under any and all circumstances and irrespective of any set off, compensation, counterclaim or defense to payment which the Borrowers may have or have had against the Issuing Bank, any Lender or any beneficiary of a Letter of Credit. The Borrowers assume all risks of the acts or omissions of the users of the Letters of Credit and all risks of the misuse of the Letters of Credit. Neither the Issuing Bank, any of its correspondents nor any Lender shall be responsible: (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document specified in any applications for any of the Letters of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any of the Letters of Credit or any of the rights or benefits thereunder or proceeds thereof in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for failure of any draft to bear any reference or adequate reference to any of the Letters of Credit, or failure of anyone to note the amount of any draft on the reverse of any of the Letters of Credit or to surrender or to take up any of the Letters of Credit or to send forward any such document apart from drafts as required by the terms of any of the Letters of Credit; (iv) for error, omissions, interruptions or delays in transmission or delivery of any messages, by mail, email, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) for any error, neglect, default, suspension or insolvency of any correspondents of the Issuing Bank; (vi) for error in translation or for errors in interpretation of technical terms;

(vii) for any loss or delay, in the transmission or otherwise, of any such document or draft or of proceeds thereof; or (viii) for any other circumstances whatsoever in making or failing to make payment under a Letter of Credit; provided that in each of the circumstances referred to in clauses (i) through (viii) above the Borrowers shall have nevertheless and notwithstanding the foregoing a claim against the Issuing Bank, and the Issuing Bank shall be liable to the Borrowers, to the extent, but only to the extent, of any direct, as opposed to indirect, damages suffered by the Borrowers which the Borrowers prove were caused by the Issuing Bank's wilful misconduct or gross negligence. None of the above shall affect, impair or prevent the vesting of any of the rights or powers of the Issuing Bank or any of the Lenders.

8.14.2 In furtherance and extension and not in limitation of the specific provisions hereinabove in this ARTICLE 8 set forth, (i) any action taken or omitted by the Issuing Bank or by any of its respective correspondents under or in connection with any of the Letters of Credit, if taken or omitted in good faith and without wilful misconduct or gross negligence, shall be binding upon the Borrowers and shall not put the Issuing Bank or its respective correspondents under any resulting liability to the Borrowers and (ii) the Issuing Bank may, without wilful misconduct or gross negligence, accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary; provided, that if the Issuing Bank shall receive written notification from both the beneficiary of a Letter of Credit and the Borrowers that sufficiently identifies (in the opinion of the Issuing Bank) documents to be presented to the Issuing Bank which are not to be honoured, the Issuing Bank agrees that it will not honour such documents.

8.14.3 The Borrowers hereby agree at all times to protect, indemnify and save harmless the Issuing Bank and each Lender participating in a Letter of Credit, from and against any and all claims, actions, suits and other legal proceedings, and from and against any and all losses, claims, demands, liabilities and damages, which they or any of them may, at any time, sustain or incur by reason of or in consequence of or arising out of the issuance of any of the Letters of Credit issued for its account (all of the foregoing, collectively, the "**indemnified liabilities**"), it being the intention of the parties that this Agreement shall be construed and applied to protect and indemnify each of the Issuing Bank and each Lender participating in a Letter of Credit against any and all risks involved in the issuance of all of the Letters of Credit, all of which risks, whether or not foreseeable, being hereby assumed by the Borrowers, including, without limitation, any and all risks of all acts by any Governmental Authority and any and all claims by correspondents used in connection with a Letter of Credit, provided that the Borrowers shall not have

any obligation hereunder to an indemnified party with respect to indemnified liabilities arising from the gross negligence or wilful misconduct of such indemnified party. Neither the Issuing Bank nor any Lender shall, in any way, be liable for any failure by it or anyone else to pay a draft drawn under any of the Letters of Credit as a result of any acts, whether rightful or wrongful, of any Governmental Authority or any correspondent used in connection with a Letter of Credit or any other cause not readily within their control or the control of their respective correspondents. Without limiting the generality of the foregoing, the Borrowers shall be responsible for, and shall reimburse the Issuing Bank forthwith upon its receipt of any demand therefor, any and all commissions, fees and other charges paid or payable by the Issuing Bank to any foreign lender which shall be an advising lender or a beneficiary of a Letter of Credit issued for its account which shall, in reliance thereon, have issued its own letter of credit in respect of obligations of the Borrowers.

- 8.14.4 The Borrowers agree that any terms and conditions in any Letter of Credit Application shall also apply in respect of the Letter of Credit issued pursuant to such application; provided that in the event of a conflict between this Agreement and the applicable Letter of Credit Application, this Agreement shall govern with respect to such conflict.

8.15 Payments upon any Event of Default

The Borrowers agree that upon the occurrence and during the continuance of any Event of Default, in addition to all other rights and remedies, the Issuing Bank shall at the request, or may with the consent of the Majority Lenders, by notice to the Borrowers demand immediate delivery of cash collateral and the Borrowers agree to deliver such cash collateral upon demand, in an amount equal to the maximum amount that may be available to be drawn at any time prior to the stated expiry of all outstanding Letters of Credit issued for the account of the Borrowers, provided that such cash collateral shall be immediately due and payable upon the occurrence of any Event of Default described in Section 13.1.8. Such cash collateral shall be deposited in a special cash collateral account to be held by the Issuing Bank as collateral security and as a pledge for the payment and performance of the Borrowers' obligations under this Agreement to the Issuing Bank and the Lenders under the Facility A Credit.

**ARTICLE 9
PAYMENTS, TAXES, EXPENSES AND INDEMNITY**

9.1 Payments to Agent

Unless otherwise specifically provided for, the Borrowers shall make each payment (other than payments in respect of the Swingline Loan) pursuant to this Agreement before 11:00 a.m. (Montreal time) on the day specified for payment. All such payments shall be made

by the Borrowers in immediately available funds having same day value to, unless otherwise specifically provided for herein, the Agent, for its account or for the account of the Lenders, the Agent's accounts set out in Schedule 9.1, or at any other office or account designated by the Agent. Whenever a payment is due to be made on a day that is not a Banking Day, for payments in CDollars, or a Business Day, for payments in USDollars, £ or €, the day for payment shall be the following Banking Day or Business Day, as the case may be.

9.2 Payments to Swingline Lender

Unless otherwise specifically provided for, the Borrowers shall make each payment due to the Swingline Lender pursuant to this Agreement before 11:00 a.m. (Montreal time) on the day specified for payment. All such payments shall be made by the Borrowers in immediately available funds having same day value to the Swingline Lender, for its own account, at the Swingline Lender's branch at 500 Grande-Allée East, SS20, Québec, Québec, G1R 2J7, or at any other office and in the accounts designated from time to time by the Swingline Lender in Canada. Whenever a payment is due to be made on a day that is not a Banking Day, for payments in CDollars, or a day that is not a Business Day, for payments in USDollars, the day for payment shall be the following Banking Day or Business Day, as the case may be.

9.3 Payments by Lenders to Agent

- 9.3.1 All payments in CDollars to be made by any Lender to the Agent shall be made in immediately available funds having same day value to the Agent, for the Borrowers' account (unless otherwise specified), at the branch, office or account mentioned in or designated under Section 9.1 for CDollars and at the time designated herein.
- 9.3.2 All payments in USDollars, £ or €, to be made by any Lender to the Agent shall be made in immediately available funds having same day value to the Agent, for the Borrowers' account (unless otherwise specified), at the branch, office or account mentioned in or designated under Section 9.1 for USDollars, £ or € respectively and at the time designated herein.

9.4 Payments by Agent to Borrowers

Any payments received by the Agent for the account of the Borrowers shall be paid in funds having same day value to the Borrowers by the Agent on the date of receipt, or if such date is not a Business Day or if received after 11:00 a.m. on a Business Day, on the next Business Day, if in CDollars, to the CDollar account or, if in USDollars, £ or €, to the respective USDollar, £ or € account of the Borrowers at Bank of Montreal designated in writing from time to time by the Borrowers to the Agent.

9.5 Distribution to Lenders and Application of Payments

Except as otherwise indicated herein, all payments made to the Agent by the Borrowers for the account of the Lenders in connection herewith shall be distributed, the same day or if such day is not a Business Day or if received after 11:00 a.m. on a Business Day, on the next Business Day, by the Agent in funds having same day value among the Lenders to the accounts last designated in writing by the Lenders respectively to the Agent pro rata in accordance with their respective Facility A Participations.

9.6 Currency of Payment

Principal, interest and interest on overdue amounts on the Libor Loan in USDollars, any Libor Advance in USDollars, the US Base Rate Loan and amounts in respect of Letters of Credit denominated in USDollars payable by the Borrowers shall be paid in USDollars and principal, interest and interest on overdue amounts on the Canadian Rate Loan, amounts payable in respect of Acceptances and amounts payable in respect of Letters of Credit denominated in CDollars shall be paid in CDollars. Principal, interest and interest on overdue amounts on the Libor Loan in £, any Libor Advance in £ and amounts in respect of Letters of Credit denominated in £ payable by the Borrowers shall be paid in £ and principal, interest and interest on overdue amounts on the Euribor Loan, any Euribor Advance and amounts in respect of Letters of Credit denominated in Euros payable by the Borrowers shall be paid in Euros. All amounts payable in respect of Letters of Credit denominated in other currencies shall be paid in such currency. All other amounts payable by the Borrowers under this Agreement shall be payable in CDollars, unless otherwise indicated herein.

9.7 Set-Off

The Borrowers shall make all payments hereunder regardless of any counterclaim, compensation or set-off.

9.8 Taxes

The Borrowers shall make all payments required under this Agreement free and clear of, and exempt from, and without deduction for, or on account of, any Tax other than Excluded Taxes.

9.9 Application of Payments

All payments made by or on behalf of the Borrowers to the Agent for the account of the Lenders pursuant to this Agreement shall in each instance be applied by the Agent in the following order:

- 9.9.1 to amounts due hereunder other than those amounts described in Sections 9.9.2 and 9.9.3;

9.9.2 to amounts due to the Lenders pursuant to ARTICLE 6 and Section 8.9.1; and

9.9.3 to repayments of other amounts due in respect of the Loan;

provided that after acceleration pursuant to Section 13.2, payments shall be applied as the Lenders, in their discretion, may from time to time determine, provided that payments on the Loan shall be made on a pro rata basis after acceleration.

9.10 Supplying Documents and Indemnity

9.10.1 Each Obligor shall supply all statements, reports, certificates, opinions, appraisals and other documents or information required to be furnished to the Lenders or the Agent pursuant to this Agreement and the other Loan Documents without cost to any Lender or to the Agent.

9.10.2 Without prejudice to the rights of the Lenders under the provisions of Section 6.8, the Borrowers agree to indemnify each Lender against any loss or reasonable expense which it may sustain or incur in obtaining or redeploying deposits as a result of the failure by the Borrowers to pay when due any principal of the Loan or for any reason to borrow in accordance with a Notice of Borrowing given by a Borrower to the Agent, to the extent that any such loss or reasonable expense is not recovered pursuant to any other provisions hereof. A certificate of a Lender or the Agent setting forth the basis for the determination of the interest due on overdue principal or interest and of the amounts necessary to indemnify such Lender in respect of such loss or reasonable expense, submitted to the Borrowers, shall, in the absence of manifest error, be conclusive and binding for all purposes.

9.10.3 Notwithstanding any other provision of this Agreement, if for any reason, including the acceleration of the maturity of the Loan or as a result of the application of Section 3.3 or Section 3.4 of the Provisions, the Borrowers prepay, repay or convert all or any portion of the Libor Loan or the Euribor Loan on a day other than the last day of the then current Interest Period applicable to the Libor Loan or a Libor Loan Portion or the Euribor Loan or a Euribor Loan Portion, or if the Borrowers, having given a Notice of Borrowing requesting a Libor Advance or a Euribor Advance, fail for any reason to fulfil on or before the Drawdown Date for such Borrowing the applicable conditions set forth in Section 10.2, the Borrowers shall on demand pay to the Agent, for the account of each Lender, the amount required to indemnify such Lender for any loss, cost or reasonable expense incurred by such Lender as a result of such payment or conversion or failure to fulfil such conditions including, without limitation, any loss or expense incurred in liquidating or in maintaining or redeploying deposits or other funds obtained

by such Lender to fund or maintain the Libor Loan or such Libor Loan Portion, or the Euribor Loan or such Euribor Loan Portion. A certificate of a Lender setting out the basis of the determination of the amount necessary to indemnify it shall, in the absence of manifest error, be conclusive and binding for all purposes.

- 9.10.4 Notwithstanding any other provision of this Agreement, if for any reason, including the acceleration of the maturity of the Loan or as a result of the application of Section 3.3 or Section 3.4 of the Provisions, the Borrowers terminate, in whole or in part, a Hedging Agreement on a day other than the maturity date thereof, the Borrowers shall on demand pay to each Lender party to such Hedging Agreement the amount required to indemnify such Lender for any loss, cost or expense incurred by such Lender as a result of such early termination. Such indemnity shall be calculated in accordance with the provisions of any applicable ISDA Master Agreement, or, if there is no ISDA Master Agreement in respect of such Hedging Agreement, in accordance with such Lender's usual procedure. A certificate of a Lender setting out the basis of the determination of the amount necessary to indemnify it shall, in the absence of manifest error, be conclusive and binding for all purposes.

9.11 **Non-Receipt by Agent**

Without prejudice to the rights of the Agent under Article 6 of the Provisions, where a sum is to be paid hereunder to the Agent for the account of another party hereto, the Agent shall not be obliged to make the same available to that other party hereto until it has been able to establish that it has actually received such sum.

9.12 **Survival of Indemnification Obligations**

Without prejudice to the survival or termination of any other agreement of the Borrower under this Agreement, the obligations of the Borrowers under Sections 8.14.3 and 9.10 and Sections 3.1 and 3.2 of the Provisions and Article 9 of the Provisions shall survive the execution hereof, the termination of the Total Commitment and the repayment in full of the Loan.

ARTICLE 10 CONDITIONS OF LENDING

10.1 **Conditions Precedent to the Initial Advance**

The obligation of each Lender to make its initial Advance under any Credit is subject to and conditional upon the prior fulfilment of the following conditions to the satisfaction of the Agent, the Lenders and Lenders' Counsel:

- 10.1.1 On or prior to noon (Montreal time) on the drawdown date of such initial Advance, the Agent shall have received from the Borrowers, in sufficient quantities to provide one copy to each Lender and to the Agent, the following, each dated as of a date satisfactory to the Lenders and in form and substance satisfactory to the Lenders and Lenders' Counsel:
- 10.1.1.1 this Agreement duly executed by the Obligors, the Lenders and the Agent;
 - 10.1.1.2 a copy of all documents evidencing the liquidation of Cossette Communication Inc. into CCI;
 - 10.1.1.3 certified copies of the charter and by-laws of each Obligor and of all documents and resolutions evidencing necessary corporate action of the Obligors approving and authorizing the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party and evidencing any other necessary corporate action with respect to this Agreement, the other Loan Documents and the instruments, certificates or other documents contemplated herein, and approving and authorizing the manner in which and by whom the foregoing documents are to be executed and delivered;
 - 10.1.1.4 a certificate of status, compliance, good standing or like certificate with respect to each Obligor issued by the appropriate government officials of the jurisdiction of its incorporation and each jurisdiction in which they carry on business if applicable;
 - 10.1.1.5 certified copies of any and all necessary governmental, regulatory and other third party authorizations and approvals (including any exchange control approvals) required with respect to this Agreement and the other Loan Documents;
 - 10.1.1.6 a certificate of the Secretary or Assistant-Secretary of each Obligor certifying the names and true signature of the officers of each Obligor authorized to sign this Agreement, the other Loan Documents and any other documents or certificates to be delivered pursuant to this Agreement;
 - 10.1.1.7 a certificate of a Responsible Officer of Cossette Group to the effect that, to the best of his knowledge after reasonable inquiry, all representations and warranties of each Obligor set forth in

ARTICLE 2 hereof and in each other Loan Document are true in all material respects as of the initial Drawdown Date;

- 10.1.1.8 the audited consolidated financial statements of Cossette Group for its last three completed fiscal years accompanied by an audit report of the Auditors, which report shall include an opinion of the Auditors which opinion shall not be qualified and shall state that such financial statements were prepared in accordance with Applicable Accounting Principles;
 - 10.1.1.9 the unaudited consolidated financial statements of Cossette Group for the three (3) month period ended June 30, 2008;
 - 10.1.1.10 each Security Document, duly authorized, executed and delivered by each of the Obligors;
 - 10.1.1.11 evidence that all Senior Debt not permitted under Section 11.3.1 has been repaid and cancelled or will be repaid and cancelled after the giving effect to the initial Advance under Facility A;
 - 10.1.1.12 certified copy of the Material Contracts;
 - 10.1.1.13 certificates of insurance in accordance with the requirements of Section 11.4;
 - 10.1.1.14 a favourable opinion of Fasken Martineau DuMoulin LLP and Davis & Gilbert LLP, respectively Canadian and US counsel to the Obligors, substantially in the form of **Schedule 10.1.1.14**, addressed to the Agent, the Lenders and Lenders' Counsel; and
 - 10.1.1.15 a favourable opinion of Lenders' Counsel, addressed to the Agent and to each Lender;
- 10.1.2 except for Permitted Hedging Agreements described in **Schedule 2.1.35**, all Existing Indebtedness of each Obligor shall have been, or shall be contemporaneously with the proceeds of the initial Advance under the Facility A Credit, repaid or prepaid in full and all commitments to lend and rights to borrow under any existing facilities or credits other than the Credit shall have been, or shall be contemporaneously with the initial Advance under the Facility A Credit, terminated and cancelled, and the Agent shall have received evidence thereof satisfactory to the Lenders and Lenders' Counsel;
- 10.1.3 each of the Security Documents or financing statements, notices or applications in respect thereof, shall have been duly registered, filed and

recorded against all real and immovable property of each Obligor and in all other places and in all jurisdictions which the Lenders shall require, to the entire satisfaction of the Lenders and Lenders' Counsel and the Agent shall have received evidence satisfactory to the Lenders and Lenders' Counsel of such registrations, recordings or filings and that the Security Interests thereunder constitute valid, effective and perfected first priority Security Interests, subject only to Permitted Encumbrances;

- 10.1.4 there shall be no litigation, action or other legal proceeding pending or known, after due inquiry, by any of the Obligors to be threatened, and no outstanding judgments, injunctions or directives, in each case against any of the Obligors or any of their respective property, rights or assets, other than any such litigation, action or legal proceeding or any such judgment, injunction or directive which, taken alone or together, which could, if determined adversely, have a Material Adverse Effect;
- 10.1.5 no event or circumstance has occurred or is likely to occur which could constitute a Material Adverse Effect;
- 10.1.6 the Agent shall have received the results of Lien searches of all filings, registrations or recordings of or with respect to all the assets of the Obligors and their respective predecessors in each jurisdiction in which their respective assets are located or have an office, together with such other documents that the Lenders shall require evidencing, to the entire satisfaction of the Lenders and Lenders' Counsel, that all such assets are free and clear of all Liens, other than Permitted Encumbrances;
- 10.1.7 the Agent shall have received such additional financial and other information, certificates and documentation as the Lenders may reasonably request in respect of any Obligor;
- 10.1.8 each Lender shall be satisfied with its full environmental, business (including operations, corporate, capital, financing and tax structure, Material Contracts, claims and lawsuits, key management contracts), insurance coverage and financial due diligence with respect to each Obligor;
- 10.1.9 all amounts due and payable on or before the initial Advance by the Borrowers pursuant to this Agreement and the Other Loan Documents, including legal fees of the Agent and the Lenders, shall have been paid or be paid out of the proceeds of the initial Advance under Facility A Credit; and
- 10.1.10 the conditions precedent set out in Section 10.2 shall have been satisfied.

10.2 Conditions Precedent to each Advance

The obligation of each Lender to make each Advance (including the initial Advance) and each Conversion Advance and of the Issuing Bank to issue each Letter of Credit (including the first Letter of Credit) and of the Lead Swap Arranger and the Lenders to enter into each Permitted Hedging Agreement is subject to and conditional upon the prior fulfilment of the following conditions to the satisfaction of the Agent:

- 10.2.1 the Agent shall have received, as applicable, a Notice of Borrowing prior to the Drawdown Date as required in Section 3.2, or a Notice of Conversion prior to the Conversion Date as required in Section 3.8 or a Letter of Credit Application as required in Section 8.7.1; and
- 10.2.2 on the date of each such Advance, Conversion Advance or the issuance of such Letter of Credit, as applicable, the following statements shall be true to the satisfaction of the Agent (and the acceptance by the Borrowers of the proceeds of such Advance, Conversion Advance or the issuance of such Letter of Credit, as applicable, shall be deemed to constitute a representation and warranty by the Borrowers that on the date of such Advance or such issuance of the Letter of Credit, as applicable, such statements are true):
 - 10.2.2.1 the representations and warranties contained in ARTICLE 2, except the representations and warranties of Section 2.1.15 (which shall be read as if they referred to the most recent financial statements delivered by the Obligors to the Agent pursuant to Section 11.1.2), are true and correct in all material respects on and as of the date of such Advance, Conversion Advance or such issuance of the Letter of Credit, as applicable, as though made on and as of such date; and
 - 10.2.2.2 no event has occurred and is continuing, or would result from such Advance, Conversion Advance or such Letter of Credit, as applicable, which constitutes a Default or an Event of Default.

10.3 Waiver

The terms and conditions of Sections 10.1 and 10.2 are inserted for the sole benefit of the Lenders and may be waived by the Agent on instruction from the Majority Lenders in whole or in part, with or without terms or conditions, in respect of any Advance, Conversion Advance or Letter of Credit, as applicable, without prejudicing the right of the Lenders to assert these terms and conditions in whole or in part in respect of any other Advance, Conversion Advance or Letter of Credit, as applicable.

ARTICLE 11 COVENANTS

11.1 Affirmative Covenants

So long as any amount owing under this Agreement or the other Loan Documents remains unpaid or the Swingline Lender or the Lead Swap Arranger has any obligation under this Agreement or any Lender has any Commitment under this Agreement, and unless consent is given in accordance with Section 15.5, each Obligor covenants and agrees that:

11.1.1 Duly Pay and Perform: it will duly and punctually pay all sums of money due by it under the terms of this Agreement, the other Loan Documents or otherwise at the times and places and in the manner provided for by this Agreement, the other Loan Documents or any other applicable agreement and shall duly and punctually perform and observe all other obligations on its part to be performed or observed hereunder or thereunder at the times and in the manner provided for herein or therein;

11.1.2 Financial and Other Information: it will furnish or cause to be furnished to the Agent by electronic means for distribution to each Lender:

11.1.2.1 Notice of Default: as soon as possible and in any event within five (5) Banking Days after the occurrence of each Event of Default or becoming aware of each event which constitutes a Default, a statement of a Responsible Officer of the relevant Obligor setting forth details of such Event of Default or Default and the action which such Obligor proposes to take with respect thereto;

11.1.2.2 Quarterly Financial Statements: as soon as practicable and in any event within 45 days after the close of each quarterly accounting periods in each fiscal year of Cossette Group, the unaudited consolidated balance sheet of each Borrower and the related consolidated statements of income, retained earnings and cash flows for such quarterly period, setting forth in each case in comparative form the figures for the corresponding period in the budget for the relevant fiscal year submitted to the Agent pursuant to Section 11.1.2.6 and of the previous fiscal year, subject to normal year-end auditing adjustments;

11.1.2.3 Annual Consolidated Financial Statements: as soon as available and in any event within one hundred and twenty (120) days after the end of each fiscal year of Cossette Group, the audited

consolidated balance sheet of Cossette Group as at the end of such fiscal year and the related consolidated statements of income, retained earnings and cash flows for such fiscal year, setting forth in comparative form the figures and as at the end of and for the previous fiscal year, accompanied by an audit report of the Auditors, which report shall include an opinion of the Auditors which opinion shall not be qualified and shall state that such financial statements were prepared in accordance with Applicable Accounting Principles;

- 11.1.2.4 Annual Non-Consolidated Financial Statements: as soon as available and in any event within one hundred twenty (120) days after the end of each fiscal year of each Obligor, the unaudited non consolidated balance sheet of each Obligor as at the end of such fiscal year and the related consolidated statements of income, retained earnings and cash flows for such fiscal year;
- 11.1.2.5 Quarterly Officer's Certificate: at each time financial statements are delivered pursuant to Section 11.1.2.2 or 11.1.2.3, a certificate of a Responsible Officer of Cossette Group acceptable to the Agent and in substantially the form of **Schedule 11.1.2.5**.
- 11.1.2.6 Annual Business Plan: no later than thirty (30) days following each fiscal year end of Cossette Group, the annual business plan of Cossette Group and its Subsidiaries, including financial projections, capital expenditure budget and specifically segregating Capital Expenditures, assumptions etc., and from time to time as mutually agreed to between the Borrowers and the Lenders, amendments and updates thereto;
- 11.1.2.7 Material Adverse Effect: as soon as a Responsible Officer of an Obligor becomes aware of it, written notice of any change or effect which has or could have a Material Adverse Effect, accompanied with all reasonable details thereof;
- 11.1.2.8 Revision or Update to Schedules: should any of the information or disclosures provided on any of the Schedules become outdated or incorrect in any material respect during any fiscal quarter, within thirty (30) days of the end of such quarter, such revisions or updates to such Schedule(s) as may be necessary or appropriate to up-date or correct such Schedule(s);

- 11.1.2.9 Notice of Litigation, etc.: as soon as possible, and in any event within five (5) Business Days after any Obligor has received notice of the commencement thereof, written notice of any litigation, proceeding or dispute affecting any of the Obligors or their respective property before any court, tribunal, commission or other administrative agency which could have a Material Adverse Effect; from time to time, each Obligor shall provide all reasonable information requested by the Agent concerning the status of any such litigation, proceeding or dispute;
- 11.1.2.10 Other Information: such other information respecting the condition or operations, financial or otherwise, of each of the Obligors, as the Agent may from time to time reasonably request;
- 11.1.3 Payment of Taxes: it will promptly pay and discharge all lawful and material Taxes assessed against it or imposed upon its income and profits of, or upon any property belonging to it before the same shall become in default, as well as all lawful and material claims for labour, materials and supplies which, if unpaid, might become a Lien other than a Permitted Encumbrance upon such property or any part thereof, provided, however, that it shall not be required to cause to be paid and discharged any such Tax, claims for labour, materials or supplies as long as the amount or validity thereof shall be diligently contested by it in good faith by appropriate proceedings and it shall have set aside on its books reserves with respect thereto that it and the independent chartered accountants who are at the time employed to audit its books and accounts consider adequate;
- 11.1.4 Books and Records: it will keep true and complete books and records and accounts in accordance with Applicable Accounting Principles;
- 11.1.5 Permit Inspections: it will permit the Agent, by its representatives and agents, after reasonable notice, to visit or inspect its Assets, including, without limitation, corporate books, computer files and tapes and financial records, to examine and make copies of its books of accounts and other financial records and to discuss its affairs, finances and accounts with, and to be advised as to the same by, their respective senior officers at such reasonable times during normal business hours and intervals as the Agent may designate and, provided that no Default or Event of Default has occurred and is continuing (without having been cured or waived as provided in this Agreement), as agreed with the Borrowers;
- 11.1.6 Preservation of Existence (Corporate or other) and Related Matters: it will at all times cause to be done all things necessary to preserve and keep in full

force and effect its legal existence (corporate or other) and all material rights, franchises, licences and privileges necessary to the conduct of its business; conduct its business substantially as presently conducted and in accordance with good business practices; and qualify and remain qualified as a foreign corporation and authorized to do business in each jurisdiction which requires such qualification and authorization;

- 11.1.7 Operation and Maintenance of Properties: it will operate, maintain and preserve in good repair, working order and condition (ordinary wear and tear excepted), all its material Assets necessary for the proper conduct of its business;
- 11.1.8 Compliance with Laws, including Environmental Laws; Notices: it will, at all times, comply with all material Applicable Laws, including without limitation, Environmental Laws of any jurisdiction applicable to it or any of its Assets;
- 11.1.9 New Subsidiaries: at least thirty (30) days prior to any Person becoming a Material Subsidiary of Cossette Group as permitted under this Agreement, it will notify the Agent that such a Person is to become a wholly-owned Subsidiary of Cossette Group and furnish the Agent with all details thereof such as name, date and jurisdiction of incorporation, names of shareholders and percentages of ownership, description of businesses and addresses, as well as up-dated Schedules reflecting such Subsidiary; subject to the provisions of Section 12.1.3, within thirty (30) days of such Person having become a Subsidiary of Cossette Group, the Borrowers shall cause to be executed and delivered to the Agent Security Documents (to the extent applicable) and other Loan Documents by such Subsidiary together with such other documents reasonably requested by the Agent consistent with the terms of this Agreement, including an acknowledgement and consent by such Subsidiary to this Agreement and a joinder agreement to become party to this Agreement and, to the extent applicable, security over all Assets of such Subsidiary by way of valid and enforceable first ranking perfected Security Interests for the benefit of the Agent and the Lenders, subject only to Permitted Encumbrances, and such other information as the Agent shall reasonably request, including without limitation, officer's certificates, financial statements, title and search reports, resolutions, charter documents, legal opinions and any other documents referred to in Section 10.1, all in form and substance satisfactory to the Lenders and Lenders' Counsel;
- 11.1.10 Security Documents: it will ensure at all times that (i) all of the present and future Obligations of the Obligors are secured by valid and enforceable first ranking perfected Security Interests for the benefit of the Agent and the Lenders on all assets of the Borrowers and the Material Domestic

Subsidiaries, subject only to Permitted Encumbrances, as required by ARTICLE 12, and (ii) Subsidiaries generating at least 95% of the EBITDA of Cossette Group have provided the guarantees set forth in Section 12.1.3 and do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such additional and future acts, deeds, instruments and assurances as are necessary, or as the Agent or any Lender may reasonably require, to document, consummate and comply with this Section 11.1.10 and ARTICLE 12;

- 11.1.11 Canadian Bank Accounts: in consideration of the Lenders authorizing, until further notice, the Obligors to collect their receivables, it will at all times maintain all its bank accounts in Canada with BMO and not maintain a bank account in Canada with any other financial institution except in respect of Permitted Hedging Agreements;
- 11.1.12 Accounts Receivable: it will ensure at all times that the accounts receivable of the Obligors are due and payable entirely to the Obligors and not due and payable in part to other Persons;
- 11.1.13 Bank of America and JP Morgan: it will ensure that all Liens in favour of Bank of America and JP Morgan Chase Bank N.A. are discharged within thirty (30) days of the Financial Close.

11.2 Financial Covenants

So long as any amount owing under this Agreement or the other Loan Documents remains unpaid, or the Swingline Lender or the Lead Swap Arranger has any obligation under this Agreement or any Lender has any Commitment under this Agreement, and unless consent is given in accordance with Section 15.5, Cossette Group shall at all times, on the basis of calculations effected on a consolidated basis as of the end of each fiscal quarter of Cossette Group and in accordance with Applicable Accounting Principles:

- 11.2.1 Senior Debt to EBITDA: maintain at all times a ratio of Senior Debt to EBITDA of no greater than 2.75:1, the whole determined on the basis of the last four completed fiscal quarters of Cossette Group;
- 11.2.2 Fixed Charge Coverage: maintain a Fixed Charge Coverage ratio equal to or greater than 1.25:1, the whole determined on the basis of the last four completed fiscal quarters of Cossette Group; and
- 11.2.3 Total Debt to Capitalization: maintain at all times a ratio of Total Debt to Capitalization equal to or less than 45%.

11.3 **Negative Covenants**

So long as any amount owing under this Agreement or the other Loan Documents remains unpaid or the Swingline Lender or the Lead Swap Arranger has any obligation under this Agreement or any Lender has any Commitment under this Agreement and, unless consent is given in accordance with Section 15.5, the Obligor shall not and Cossette Group shall cause its Subsidiaries not to:

11.3.1 **Indebtedness:** create, incur, assume or suffer to exist any Indebtedness except for:

11.3.1.1 its Obligations;

11.3.1.2 Indebtedness created pursuant to Permitted Encumbrances;

11.3.1.3 unsecured Indebtedness to any Obligor;

11.3.1.4 Fully Subordinated Debt;

11.3.1.5 accounts payable in the ordinary course of business; and

11.3.1.6 other unsecured Indebtedness provided that at no time the aggregate amount of such Indebtedness for Cossette Group and its Subsidiaries exceeds C\$2,500,000;

in each case provided that the creation, incurring or assumption by it of any such Indebtedness, or its existence, does not constitute a Default or an Event of Default under any other provision of this Agreement;

11.3.2 **Liens:** create, incur, assume or suffer to exist any Lien on any of its Assets other than Permitted Encumbrances;

11.3.3 **Mergers, Etc.:** enter into any transaction (whether by way of reconstruction, reorganization, consolidation, amalgamation, winding-up, merger, transfer, sale, lease or otherwise) whereby all or any substantial part of its undertaking or Assets would become the property of any other Person or, in the case of any such amalgamation, arrangement or merger, of the continuing corporation resulting therefrom; provided however an Obligor may amalgamate with, or sell or transfer all or a substantial part of its undertaking to, or be liquidated into, another Obligor if:

11.3.3.1 no Default or Event of Default which have not been waived or cured as provided in this Agreement exists immediately prior to, or would exist upon effecting, such amalgamation, sale or transfer;

- 11.3.3.2 the Person resulting from any such amalgamation shall have expressly assumed in writing in favour of the Agent and the Lenders all the Obligations of the predecessor corporations and shall have executed, signed and delivered all deeds and documents, effected such registrations and done such other acts and things as, in the opinion of the Agent and Lenders' Counsel, are necessary or desirable to create, preserve or protect valid and effective first-ranking Security Interests securing the Obligations for the benefit of the Agent and the Lenders on all the Assets of the Person resulting from the amalgamation or the purchaser or transferee, subject to Permitted Encumbrances, all in form and substance satisfactory to the Agent and Lenders' Counsel; and
- 11.3.3.3 the Agent shall have received all deeds, documents and instruments referred to in Section 11.3.3.2, and a favourable opinion of counsel to the Obligors, acceptable to the Agent, that the amalgamation, sale or transfer is on such terms as substantially to preserve and not impair the Security Interests for the benefit of the Agent and the Lenders in accordance with ARTICLE 12, and the rights of the Agent and the Lenders under this Agreement and the other Loan Documents;
- 11.3.4 Disposal of Assets Generally: sell, exchange, lease, release or abandon or otherwise dispose of any of its Assets to any Person other than:
 - 11.3.4.1 sales of Assets in the ordinary course of business;
 - 11.3.4.2 any *bona fide* sales, transfers or dispositions of Assets, other than accounts receivable and marketable securities referred to in Section 11.3.4.3, at fair market value provided that the aggregate fair market value of assets so sold, transferred or disposed of in any fiscal year of Cossette Group shall not exceed C\$500,000 on a net basis;
 - 11.3.4.3 any sale, transfer or other disposition by it in the ordinary course of its business of marketable securities which are current assets of it; and
 - 11.3.4.4 abandonments of obsolete equipment which have no material economic value;
- 11.3.5 Lease-Backs: enter into any arrangements, directly or indirectly, with any Person, whereby it shall sell or transfer any Assets, whether now owned or

hereafter acquired, used or useful in the business carried on by it, in connection with the rental or lease of the Assets so sold or transferred or of other property for substantially the same purpose or purposes as the property so sold or transferred;

- 11.3.6 Change in Business: make any material change in the nature of the business heretofore and presently being carried on by it;
- 11.3.7 Distributions to Shareholders: declare, make or pay or set aside for payment any dividends upon any of its Capital Stock, or purchase, redeem, retire or otherwise acquire, directly or indirectly, any shares in its Capital Stock, or make any other Distribution among the holders of its Capital Stock, other than (i) payment of Distributions by an Obligor to another Obligor, and (ii) payment of Distributions to finance the buyback of Capital Stock of an Obligor for key managers of the Obligors, provided, however, that no Distributions shall be declared, made or paid at any time where any Default or Event of Default shall have occurred or shall exist or would result from such Distributions.
- 11.3.8 Transactions with Affiliates, etc.: directly or indirectly (x) purchase, acquire or lease any material property from, (y) sell, transfer or lease any material property to, or (z) permit any of its Subsidiaries to purchase, acquire or lease any material property from, or sell, transfer or lease any material property to, any Affiliate of Cossette Group or any other Person not dealing at Arm's Length with Cossette Group, except for:
 - 11.3.8.1 such purchases, sales, acquisitions, leases and transfers at prices and on terms not less favourable to the Borrowers, as the case may be, than those which would have been obtained in an Arm's Length transaction with an Arm's Length party;
 - 11.3.8.2 financial accommodations for employees in connection with housing loan programs, stock option or purchase plans or other similar employee benefit programs; and
 - 11.3.8.3 purchases, sales, acquisitions, leases and transfers between the Obligors.
- 11.3.9 Acquisitions: make, or permit any Subsidiary of Cossette Group to make, any acquisition (including by way of amalgamation) of the business of any Person or acquisitions of any Capital Stock or securities of, or other ownership interests in, any Person which would result in Cossette Group or such Subsidiary, directly or indirectly, Controlling such Person (an "**Acquisition**"). Notwithstanding the foregoing, the Borrowers or any Obligor

may make an Acquisition in the same business presently carried on by Cossette Group and its Subsidiaries provided that the transaction is at arms' length, does not constitute a hostile takeover or create a Default or an Event of Default and:

11.3.9.1 where the total direct and indirect Acquisition cost exceeds C\$20,000,000, the Borrowers shall obtain the written approval of the Majority Lenders and shall provide them the following information, in form and substance satisfactory to the Lenders, concurrently with any request to approve any such transaction:

11.3.9.1.1 copy of the final draft sale and purchase agreement evidencing the purchase price and payment schedule;

11.3.9.1.2 financial statements of the target for a minimum period of three (3) fiscal years, which financial statements shall show for the last two (2) fiscal years that the target had positive EBITDA over such period;

11.3.9.1.3 financial information on Cossette Group on a consolidated basis after giving effect to the proposed transaction;

11.3.9.1.4 written confirmation that the relevant Borrower or the relevant Obligor has full power and capacity to make this acquisition and that such acquisition does not contravene the charter documents of such Borrower or the relevant Obligor, any statute, any regulation and any provision of any Material Contract to which such Borrower or the relevant Obligor is a party; and

11.3.9.1.5 a Compliance Certificate stating that, as of the closing date of the proposed Acquisition and after accounting for the Acquisition, Cossette Group is and will not be in default in the performance of its financial covenants hereunder;

The Lenders shall have thirty (30) days after receipt of all such information in form and substance acceptable to the Lenders to provide the Borrowers with their approval or refusal for such Acquisition.

11.3.9.2 where the total direct and indirect Acquisition cost is more than C\$5,000,000 but is equal to or less than C\$20,000,000, the consent

of the Majority Lenders shall not be required if each of the documents set forth in Sections 11.3.9.1.1 to 11.3.9.1.5 inclusively have been supplied to the Agent prior to the closing date of the proposed Acquisition and the target's financial statements comply with Section 11.3.9.1.2;

- 11.3.9.3 where the total direct and indirect Acquisition cost is less than C\$5,000,000, the consent of the Majority Lenders shall not be required if each of the documents set forth in Sections 11.3.9.1.1 to 11.3.9.1.5 have been supplied to the Agent prior to the closing date of the proposed Acquisition and whether or not the last two (2) fiscal years of the target had a positive EBITDA over such period;
- 11.3.10 Compromise of Accounts Receivable: compromise or adjust any of its accounts receivable (or extend the time for payment thereof) or grant any discounts, allowances or credits thereon, in each case other than in the normal course of business;
- 11.3.11 Invoices: redate any invoice or sale or provision of service or make sales or provide services on extended dating beyond that customary in its business;
- 11.3.12 Business Outside Certain Jurisdictions: have its head or registered office or any place of business or keep or store any corporeal assets outside of those jurisdictions (or registration districts within such jurisdictions) set forth in **Schedule 2.1.10** except upon 30 days' prior written notice thereof to the Agent and then only if it has done all such acts and things and executed and delivered all such deeds, transfers, assignments and instruments as the Agent may reasonably require for creating and perfecting a Security Interest for the benefit of the Agent and the Lenders in its assets to the satisfaction of the Majority Lenders and Lenders' Counsel;
- 11.3.13 Fiscal Year: change or permit to be changed its fiscal year end from September 30 save and except for any change in the fiscal year end of an Obligor occurring on Financial Close or soon thereafter to change the fiscal year end to September 30;
- 11.3.14 Change of control: permit any change in its Control or permit CCI or any Guarantor to cease being a wholly-owned, direct or indirect, Subsidiary of Cossette Group;
- 11.3.15 Material Contracts: amend or allow any amendment, modify, restate, supplement, change the terms and conditions of or terminate any Material Contract or waive compliance or fail to comply with any of the terms of any

one thereof unless any such action could not reasonably be expected to result in a Material Adverse Effect;

- 11.3.16 Hedging Agreements: enter into any Hedging Agreements, other than Permitted Hedging Agreements provided that the Hedging Agreement Risk in respect of all outstanding Fx Agreements does not exceed at any time C\$6,000,000;
- 11.3.17 Management Fees, etc.: directly or indirectly pay, distribute or otherwise credit, any management fees, directors fees (other than reasonable attendance and travel fees owing to any independent directors), bonuses or other similar payments or distributions to any officer, director or employee of any Obligor, if such payment, distribution or credit could cause a Default or an Event of Default to occur hereunder;
- 11.3.18 ERISA: it shall not create, assume or incur, or suffer to be created, assumed or incurred or to exist, any Lien in favour of the PBGC or any other Person in connection with any liability under or in connection with ERISA. It shall do all things necessary to maintain its corporate existence separate and apart from any Person which carries on business outside Canada, including (1) practising and adhering to corporate formalities, including maintaining the appropriate corporate books and records; (2) maintaining all of its deposit and other bank accounts and all of its assets separate and apart from those of any such Persons; (3) maintaining all of its financial records separate and apart from those of any such Persons; (4) maintaining its own separate offices, telephone numbers, stationery and business forms; (5) accounting for and managing all of its liabilities separately from those of any such Persons; and (6) conducting all of its business (whether written or oral) solely in its own name;
- 11.3.19 Subordinated Debt: make, permit to be made or tolerate to be made any payment on Fully Subordinated Debt except as specifically permitted in any postponement and subordination agreement in favour of the Agent and the Lenders relating to such debt;
- 11.3.20 Amendments to Constating Documents: make or permit to be made any amendment to its constating documents which would be materially adverse to the Lenders;
- 11.3.21 Limitations on Investments and Financial Assistance: except as permitted in Section 11.3.9, provide or permit any Subsidiary to provide, directly or indirectly, any financial assistance, including by way of loans, advances, investments (by the acquisition of Capital Stock or otherwise) or other financial assistance (including Guarantees) to any Person outside of the

normal course of its business in excess of an aggregate amount of C\$3,000,000 at any time or which could have an impact on its financial situation, other than financial assistance in favour of another Obligor;

- 11.3.22 Corporate Structure: make any significant change to the corporate structure of Cossette Group and its Subsidiaries.

11.4 Insurance

- 11.4.1 Insurance: In addition to any and all requirements in any Security Documents, each Obligor shall effect and maintain, at its expense, insurance on its Assets of an insurable nature for the full replacement cost thereof against loss or damage by fire, theft, flood, explosion, sprinklers, collision and such other risks (including loss of profit) as are customarily insured against by Persons engaged in businesses similar to that of such Obligor in similar locations with such companies, in such amounts and under policies in such form as shall be satisfactory to the Agent, and such other insurance as the Agent may require. Evidence satisfactory to the Agent of such insurance and all renewals and replacements thereof shall be delivered to the Agent forthwith on request, together with evidence of payment of all premiums therefor. Each insurance policy shall contain an endorsement, in form and substance acceptable to the Agent, showing loss under such insurance policy payable to the Agent and the Attorney, in each case for the benefit of the Lenders, and to the Lenders. Such endorsement, or an independent instrument furnished to the Agent, shall contain a standard mortgage clause, shall provide that the insurance company shall give the Agent at least thirty (30) days written notice before any such policy of insurance is cancelled or coverage thereunder is reduced and that no act, whether wilful or negligent, or default of any Obligor or any other Person shall affect the right of the Agent, the Attorney or any Lender to recover under such policy of insurance in case of loss or damage. Each Obligor hereby directs all insurers under such policies of insurance to pay all proceeds payable thereunder directly to the Agent, the Attorney and the Lenders; provided however that prior to the occurrence of an Event of Default, payments by the insurer of any claim in excess of C\$1,000,000 shall be made to the joint order of the Agent and the relevant Obligor and payments of any other claim may be made alone to the relevant Obligor, as the case may be. Each Obligor irrevocably makes, constitutes and appoints the Agent (and all officers, employees or agents designated by the Agent) as its true and lawful attorney and mandatary for the purpose of making, settling and adjusting claims under such policies of insurance, endorsing the name of such Obligor on any cheque, draft, instrument or other item of payment for the proceeds of such policies of insurance and making all determinations and decisions with respect to such policies of insurance.

- 11.4.2 Public Liability: Each Obligor shall effect and maintain, at its expense, such public liability and third party property damage insurance as is customary for Persons engaged in businesses similar to that of such Obligor with such companies and in such amounts, with such deductibles and under policies in the form as shall be satisfactory to the Agent. Evidence of such insurance and all renewals and replacements thereof shall be delivered to the Agent on request, together with evidence of payment of all premiums therefor. Each such policy shall provide that the insurance company shall give the Agent at least thirty (30) days written notice before any such policy shall be altered or cancelled.
- 11.4.3 Failure to insure: Should any Obligor at any time or times hereafter fail to obtain or maintain any of the policies of insurance required above or, in any of the Security Documents or to pay any premium in whole or in part relating thereto, then the Agent, without waiving or releasing any obligation or default by such Obligor hereunder, may (but shall be under no obligation to) obtain and maintain such policies of insurance and pay such premiums and take such other actions with respect thereto as the Agent deems advisable. All sums disbursed by the Agent in connection with any such actions, including, without limitation, court costs, expenses, other charges relating thereto and reasonable attorneys' fees, shall be payable on demand by such Obligor to the Agent, for its own account and, until paid, shall bear interest at the Canadian Rate if owing in Canadian Dollars or the US Base Rate, if owing in US Dollars.
- 11.4.4 Notice of loss: Each Obligor shall promptly give notice to the Agent of any loss or damage by fire, theft, flood, explosion, sprinklers, collision or otherwise to its assets where the assets affected by such loss or damage are worth more than C\$1,000,000.
- 11.4.5 Application of Insurance Proceeds: So long as no Event of Default shall have occurred and continuing, (a) each Obligor shall be entitled to make, settle and adjust claims under its policies of insurance and (b) the Agent agrees that if it receives proceeds of insurance with respect to any damage or loss of Assets it will, at the request of such Obligor, deposit such proceeds to the account of the Borrower and to be dealt with in accordance with the provisions of this Agreement. Upon the occurrence of an Event of Default and for so long as it is continuing, (a) all proceeds of insurance with respect to any damage to or loss of Collateral shall be paid to the Agent, to be applied as the Majority Lenders may, in their sole discretion, decide, (b) each Obligor shall cooperate with the Agent in the making, settlement and adjustment of claims and (c) any proceeds of insurance received by any Obligor shall be held by it for the

benefit and as mandatory of and in trust for the Agent and shall be forthwith paid over to the Agent.

- 11.4.6 Use of Insurance Proceeds: All proceeds of insurance in excess of C\$1,000,000 received by any Obligor shall be used to repair or replace the lost or damaged Assets within a period of time acceptable to the Agent, unless otherwise previously approved in writing by the Majority Lenders.

ARTICLE 12 SECURITY DOCUMENTS

12.1 Security Documents

- 12.1.1 The payment and performance when due of all Obligations of the Borrowers shall at all times be guaranteed (directly or, subject to approval by the Lenders, indirectly) by each Guarantor by way of an unconditional solidary (joint and several) guarantee executed by it.
- 12.1.2 The payment and performance when due of all Obligations shall at all times be secured by Security Interests for the benefit of the Agent and the Lenders on all present and future Assets of Cossette Group and its Material Domestic Subsidiaries, including those created by the Security Documents listed in **Schedule 12.1**.
- 12.1.3 In addition to its obligation under Section 11.1.10, after the date hereof, at the request of the Agent, Cossette Group shall cause each of its new Material Subsidiaries to execute an unconditional solidary or joint and several guarantee guaranteeing in favour of the Agent and each Lender the payment and performance when due of all of the Obligations and each of its new Material Domestic Subsidiaries (as permitted pursuant to Section 11.3.9) to execute and deliver deeds, documents or other instruments in order to grant or create Security Interests on Assets of such Material Domestic Subsidiary not covered by, or against which Security Interests have not been perfected under, the Security Documents listed in **Schedule 12.1** securing all the Obligations, including without limitation, a fixed and specific hypothec or mortgage on all present and future real and immovable properties;

all substantially on the terms of the Security Documents listed in **Schedule 12.1**. The Lenders reserve the right to replace security over assets in respect of which the environment audit is not satisfactory with a negative pledge.

- 12.1.4 Each Obligor shall at all times maintain in full force and effect the validity and opposability of the security created or intended to be created by the Security Documents.

12.2 Provisions in Respect of the Security Documents

Each agreement or other document creating, evidencing or relating to the Security Interests referred to in Section 12.1 shall be in form and substance satisfactory to the Lenders and the Agent, shall be duly registered, recorded, filed and all other action shall have been taken, in each case so the Security Interests created, granted or evidenced therein shall constitute valid and enforceable first ranking perfected Security Interests for the benefit of the Agent, the Attorney and the Lenders on all the Assets stated to be subject thereto, subject to Permitted Encumbrances, including (a) in each jurisdiction in which an Obligor granting such Security Interests shall have its registered office, head office or chief place of business, and (b) in each jurisdiction in which any tangible Assets of such an Obligor are located. Security Interests granted by such an Obligor for the benefit of the Agent and the Lenders may be granted, at the option of the Lenders, to the Agent, to the Attorney, or to the Lenders or any of them. All security under the Security Documents shall be subject to the terms of this Agreement.

**ARTICLE 13
DEFAULT AND REMEDIES**

13.1 Events of Default

The occurrence of any of the following events shall constitute an Event of Default under this Agreement:

- 13.1.1 Default in Payment of Principal of Loan: the Borrowers shall fail to make any payment of principal on the Loan when due, whether due by acceleration or otherwise; or
- 13.1.2 Other Payment Defaults: the Borrowers shall fail to make any payment of interest, fees or other payment (other than a payment referred to in Section 13.1.1) due under this Agreement or any Obligor fails to make any payment due under any Loan Document, in each case within three (3) days of its due date, whether due by acceleration or otherwise; or
- 13.1.3 Inaccurate representations or information: any representation, warranty, statement or certificate made or delivered to any Lender or to the Agent in writing or any representation or warranty deemed pursuant to Section 2.2 or Section 10.2 to have been made to the Agent or any Lender or any financial statement or other information delivered in writing to the Agent or any Lender

by any Obligor or any of its officers in, or in connection with, this Agreement is incorrect or misleading in any material respect; or

- 13.1.4 Default in Certain Covenants: the Obligors shall fail to perform, observe or comply with any of the covenants contained in Sections 11.1.6, 11.1.9, 11.1.11, 11.2 or 11.3; or
- 13.1.5 Default in Other terms and conditions: any Obligor shall fail to perform, observe or comply with any term, covenant or agreement contained in this Agreement or any other Loan Document on its part to be performed, observed or complied with and not specifically dealt with in this Section 13.1 and such failure shall remain unremedied for a period of thirty (30) days following notice thereof by the Agent to the relevant Obligor; or
- 13.1.6 Judgment: a final non-appealable judgment or order for the payment of money in excess of C\$1,000,000 be rendered against any Obligor and such judgment or order shall continue unsatisfied and unstayed (or shall not have been vacated) for a period of thirty (30) consecutive days unless such judgment or order could not have a Material Adverse Effect; or
- 13.1.7 Cross-Default to Indebtedness: the Obligors shall fail to pay any of their respective Indebtedness (other than that referred to in Sections 11.3.1.3, 11.3.1.5, 13.1.1 and 13.1.2) or any interest or premium thereon, when due (whether at scheduled maturity or by required prepayment, acceleration, demand or otherwise), the amount of which individually or in the aggregate at any time exceeds C\$1,000,000 or the Equivalent Amount in another currency and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness; or any other default or event shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness; or any such Indebtedness, the amount of which individually or in the aggregate at any time exceeds C\$1,000,000 or the Equivalent Amount in any other currency, shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof; or
- 13.1.8 Insolvency; Bankruptcy; etc.: any Obligor shall not pay its debts generally as such debts become due, or shall admit in writing its inability to pay its debts generally as they become due, or shall make a general assignment for the benefit of creditors; or any proceeding shall be commenced or instituted by or against any Obligor seeking to adjudicate it bankrupt or insolvent, or seeking winding-up, reorganization, arrangement, adjustment, dissolution, protection,

relief, liquidation or composition of such Obligor on its debt (including a notice of intention or a proposal under the *Bankruptcy and Insolvency Act* (Canada)) under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking appointment of a receiver, trustee, sequestrator or other similar official for any Obligor or for any substantial or material part of its property or seeking the suspension of the operations of any Obligor and, in the case of any such proceeding instituted against any Obligor and in respect of which the relevant Obligor has not by any act indicated its consent to, approval of, or acquiescence in, such proceeding shall remain undismissed for a period of thirty (30) days; or any Obligor shall take corporate action to authorize any of the actions set forth above in this Section 13.1.8; or

- 13.1.9 Security Documents: any Security Interest created or intended to be created by any Security Document shall cease to be a valid and enforceable perfected Security Interest thereof for a period of more than three (3) days following knowledge thereof by the relevant Obligor or notice thereof by the Agent to the relevant Obligor; or
- 13.1.10 Exercise of Remedies by Other Creditors: any creditor or other holder of any Security Interests on all or any part of the Assets of any of the Obligors, other than the Agent and the Lenders, shall take any action or proceedings, or shall authorize or instruct any other person on its behalf to take any action or proceedings, to commence any enforcement or realisation under, or exercise or pursue any rights, recourses or remedies under, any agreement or other instrument creating a Security Interest on any of such Assets, unless in each case such action, proceedings, enforcement or exercise of rights, recourses and remedies is dismissed or withdrawn within forty five (45) days of its commencement or unless the validity thereof is being contested diligently and in good faith by or on behalf of the relevant Obligor by proper legal proceedings, and provided any action has not proceeded to final non-appealable judgment and any other enforcement or exercise of rights or remedies has not proceeded to a stage where the Assets of the relevant Obligor may be sold or the rights of the Agent and the Lenders in such Assets impaired or reduced in value; or
- 13.1.11 ERISA (a) any Termination Event shall occur with respect to any Benefit Plan of any Obligor or any of its ERISA Affiliates, (b) any accumulated funding deficiency (as defined in Section 302 of ERISA) shall exist at any time with respect to any such Benefit Plan in an amount in excess of an amount of C\$500,000 (or the Equivalent Amount thereof in USDollars), (c) Cossette Group or any ERISA Affiliate shall fail to pay when due an amount or amounts aggregating in excess of C\$500,000 (or the Equivalent Amount thereof in USDollars) which it shall become obligated to pay to any Benefit

Plan or arrangement or to any government or agency (d) any Person shall engage in any prohibited transaction involving any such Benefit Plan, (e) any Obligor or any of its ERISA Affiliates shall be in "default" (as defined in ERISA Section 4219(c)(5)) with respect to payments owing to any such Benefit Plan that is a multiemployer Benefit Plan as a result of such Person's complete or partial withdrawal (as described in ERISA Section 4203 or 4205) therefrom, (f) any Obligor or any of its ERISA Affiliates shall fail to pay when due an amount that is payable by it to the PBGC or to any such Benefit Plan under Title IV of ERISA, or (g) a proceeding shall be instituted by a fiduciary of any such Benefit Plan against any Obligor or any of its ERISA Affiliates to enforce ERISA Section 515 and such proceeding shall not have been dismissed within 30 days thereafter, except that no event or condition referred to in paragraphs (a) through (g) shall constitute an Event of Default if it, together with all other such events or conditions at the time existing, has not subjected, and in the reasonable determination of the Lenders will not subject, any Obligor to aggregate liabilities, at any time, that exceed an amount of C\$500,000 (or the Equivalent Amount thereof in USDollars) or (h) the PBGC shall institute proceedings to terminate a Benefit Plan or the PBGC has the authority to appoint or request the appointment of a trustee for a Benefit Plan.

- 13.1.12 Seizure, etc.: if a seizure or attachment is made of, or enforcement made against, any undertaking or Assets of any Obligor (other than in respect of a Security Interest contemplated in Section 13.1.10) which Assets in the aggregate have a net book value in excess of C\$1,000,000, provided that such seizure, enforcement or taking of possession or control continues in effect and remains undischarged for a period of twenty (20) days or unless the validity thereof is being contested diligently and in good faith by or on behalf of the relevant Obligor;
- 13.1.13 Material Contracts: if any default shall occur under a Material Contract and such default is not remedied within the current period, if any, provided in such Material Contract;
- 13.1.14 Material Adverse Effect: there is or occurs any event or circumstance which is a Material Adverse Effect or is likely to have a Material Adverse Effect; or
- 13.1.15 Ceasing to Carry on Business: if any Obligor (other than 9201-8217 Quebec Inc. in respect of its current business) ceases or threatens to cease to carry on in the ordinary course of its business or a substantial part thereof, except as a result of a reorganization permitted by the Lenders or as permitted in Section 11.3.3.

13.2 **Effect of a Default**

Upon the occurrence and during the continuation of any Event of Default, the Agent shall at the request, or may with the consent, of the Majority Lenders, by notice to the Obligors (i) declare the Total Commitment and the obligation of each of the Lenders to make Advances to the Borrowers to be terminated, whereupon the same shall forthwith terminate, and/or (ii) declare the Loan, all interest accrued and unpaid thereon and all other amounts payable by the Obligors under or pursuant to this Agreement and the other Loan Documents to be forthwith due and payable, whereupon the Loan, all such accrued interest and all such other amounts shall become and be forthwith immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Obligors. Thereupon the Obligors shall immediately pay to the Agent all such amounts due and payable. In addition to the foregoing, if an Event of Default pursuant to Section 13.1.8 shall occur, the Total Commitment and the obligation of each Lender to make Advances shall automatically be terminated and the Loan, all interest accrued and unpaid thereon and all other amounts payable by the Obligors under or pursuant to this Agreement and the other Loan Documents shall automatically be and become immediately due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Obligors, and thereupon the Obligors shall immediately pay to the Agent all such amounts due and payable. For greater certainty, the Obligors will be considered to be in default of their obligations hereunder by the mere lapse of time provided for performing such obligations, without any requirement of further notice or other act of the Agent or the Lenders unless a notice is specifically required hereunder. If an Event of Default shall have occurred and be continuing, the Lenders and/or the Agent on behalf of itself and the Lenders shall at the request of, or may with the consent of, the Majority Lenders immediately exercise all rights and remedies they may have under this Agreement and the other Loan Documents and by law, all without any additional notice, presentment, demand, protest, notice of dishonour, entering into possession of any of the property or Assets, or any other action, of all of which are expressly waived by the Obligors.

13.3 **Remedies Cumulative; No Waiver**

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lenders and the Agent under this Agreement and the other Loan Documents are cumulative and are in addition to, not in substitution for, any rights or remedies provided by law; no failure on the part of the Lenders or the Agent to exercise, and no delay in exercising, any right or remedy hereunder or thereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Lenders or the Agent of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained prejudice or preclude any other or further exercise thereof or the exercise of any other right or remedy for the same or any other default or breach and shall not waive, alter, affect or prejudice any other right or remedy.

ARTICLE 14
JUDGMENT CURRENCY

14.1 Judgment Currency

- 14.1.1 If for any purpose, including the obtaining of judgment in any court, it is necessary to convert a sum due hereunder from the currency in which it is payable (the “**Payment Currency**”) into another currency (the “**Judgment Currency**”), the parties hereto agree, to the fullest extent that they may lawfully and effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Agent could purchase the Payment Currency with the Judgment Currency in the New York foreign exchange market on the Business Day preceding the date of final judgment or other determination.
- 14.1.2 The obligation of the Obligors in respect of any sum due from any of them to the Lenders or the Agent hereunder shall, notwithstanding any judgment or payment in a currency other than the Payment Currency, be discharged only to the extent that on the Business Day following receipt by the Agent of any sum so paid or adjudged to be so due in the Judgment Currency the Agent may in accordance with normal banking procedures, purchase the Payment Currency with the amount of the Judgment Currency so paid or adjudged to be due; if the amount in the Payment Currency so purchased is less than the sum originally due to the Lenders and the Agent in the Payment Currency, the Obligors agree, as a separate obligation and additional cause of action and notwithstanding any such payment or judgment, to indemnify the Lenders and the Agent against such loss and if the amount in the Payment Currency so purchased exceeds the sum originally due to the Lenders and the Agent in the Payment Currency, the Lenders and the Agent agree to remit to the Obligors such excess.
- 14.1.3 The term “rate of exchange” in this Section 14.1 means the spot rate at which the Agent, in accordance with normal practices, is able on the relevant date to purchase the Payment Currency with the Judgment Currency and includes any premium and costs of exchange payable in connection with the purchase.

ARTICLE 15
MISCELLANEOUS

15.1 Appointment of fondé de pouvoir

Each Lender confirms the appointment and designation of Bank of Montreal (or any successor thereto) as the person holding the irrevocable power of attorney ("*fondé de pouvoir*") within the meaning of Article 2692 of the *Civil Code of Québec* for the purposes of the hypothecary security under each deed of hypothec to be granted by an Obligor under the laws of the Province of Québec pursuant hereto and, in such capacity, the Attorney shall hold the hypothecs granted under the laws of the Province of Québec as such *fondé de pouvoir* for all present and future Lenders and for the holder of any bond or debenture secured thereby in the exercise of the rights conferred thereunder. Each future Lender that becomes a party to this Agreement, by becoming a party to this Agreement, shall be deemed to have ratified and confirmed the appointment of the Attorney as *fondé de pouvoir*. Notwithstanding the provisions of Section 32 of *An Act Respecting the Special Powers of Legal Persons* (Québec), the Agent and the Attorney may purchase, acquire and be the holder of any bond or debenture issued by the Borrower or any other Obligor. Each of the Obligors hereby acknowledges that any such bond or debenture shall constitute a title of indebtedness, as such term is used in Article 2692 of the *Civil Code of Québec*.

15.2 Deliveries, etc.

As between the Obligors, on the one hand, and the Agent and the Lenders, on the other hand:

- 15.2.1 all statements, certificates, consents and other documents which the Agent purports to deliver to the Obligors or any of them on behalf of the Lenders shall be binding on each of the Lenders, and no Obligor shall be required to ascertain or confirm the authority of the Agent in delivering such documents;
- 15.2.2 all certificates, statements, notices and other documents which are delivered by the Obligors or any of them to the Agent in accordance with this Agreement shall be deemed to have been duly delivered to each of the Lenders;
- 15.2.3 all payments which are delivered by the Obligors or any of them to the Agent in accordance with this Agreement shall be deemed to have been duly delivered to each of the Lenders.

15.3 Assignment by the Obligors

No Obligor shall have the right to assign any of its rights or obligations hereunder or any interest herein without the prior written consent of all the Lenders.

15.4 Amendments to Article 7 of the Provisions

The Agent and the Lenders may amend any provision in Article 7 of the Provisions without prior notice to or the consent of any Obligor, and the Agent shall provide a copy of any such amendment to the Obligors reasonably promptly thereafter; provided however if any such amendment would adversely affect any rights, entitlements, obligations or liabilities of the Obligors (other than in a *de minimus* manner), such amendment shall not be effective until the Obligors provide their written consent thereto, such consent not to be unreasonably withheld or arbitrarily delayed.

15.5 Decision-Making

15.5.1 Neither this Agreement nor any other Loan Documents nor any terms hereof or thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing, signed by the Majority Lenders or the Agent on their behalf; provided that no such change, waiver, discharge or termination shall, without the consent of each Lender:

- 15.5.1.1 reduce any interest or other rate or of the amount of any fees;
- 15.5.1.2 modify the currency of any payment;
- 15.5.1.3 increase the amount or modify the currency of the Facility A Commitment;
- 15.5.1.4 change the Maturity Date or the Facility A Availability Period;
- 15.5.1.5 change any provision of this Agreement relating to the Security Documents or of any Security Document which would have the effect of reducing the scope of the charge of any Security Document, changing the priority of the security created thereby or the order of entitlement thereof or, subject to Section 15.5.2, release any property charged thereby;
- 15.5.1.6 change the definition of Majority Lenders;
- 15.5.1.7 change this Section 15.5.1; or

15.5.1.8 reduce or compromise the Obligations (other than Permitted Hedging Agreement Obligations).

15.5.2 Partial Release: The Agent and the Attorney may from time to time without notice to or the consent of the Lenders execute and deliver partial releases of the Security Documents from time to time in respect of any item of Collateral to the extent expressly permitted in this Agreement or in respect of Collateral having an aggregate value (as disclosed to the Agent in writing by the Obligor which is the owner thereof) of less the C\$500,000 in any fiscal year of Cossette Group.

15.5.3 Approval by Majority Lenders: Except for the matters described in Sections 15.5.1 and 15.5.2 and subject to any other provision of this Agreement which specifically requires the consent of each Lender for a matter, any action to be taken or decision to be made by the Lenders pursuant to this Agreement (specifically including for greater certainty the issuance of a demand for payment of the Obligations or the provision of any waiver in respect of a breach of any covenant) shall be effective if approved by Majority Lenders pursuant to Article 7 of the Provisions; and any such decision or action shall be final and binding upon all the Lenders.

15.6 Severability

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

15.7 Direct Obligation

Notwithstanding any other provision hereof, the Borrowers shall be obligated directly towards each of the Lenders in respect of its Facility A Participation as well as any other amounts which may be payable by the Obligors to such Lender pursuant to or in connection with this Agreement, any other Loan Document or any Borrowings. The obligations of each of the Lenders are independent from one another, are not solidary, and may not be increased, reduced, extinguished or otherwise affected due to the default of another Lender pursuant hereto. Any default of any party hereto in the performance of its obligations shall not release any of the other parties hereto from the performance of any of their respective obligations.

15.8 Sharing of Information

Each Obligor agree that the Agent and the Lenders may share amongst themselves and their respective Affiliates any information which any of them may possess concerning any

Obligor in respect of its undertakings, obligations or indebtedness towards any Lender pursuant to this Agreement, the other Loan Documents or otherwise, as well as any payment received from any Obligor by any Lender. Without limiting the generality of the foregoing, the Agent may disclose to any Lender and the any Obligor any information contained in any notices, consents, certificates, documents or other instruments or writings delivered to it under or pursuant to this Agreement or any other Loan Document.

15.9 Use of Credit

The Borrowers acknowledge that any loan and financial assistance hereby provided is for the exclusive use of the Borrowers and the other Obligors and can only be used for their legitimate business purposes.

15.10 Termination of Existing Credit Facilities of Obligors

Immediately upon Financial Close, all existing credit facilities of any Lender to any Obligor shall automatically be terminated and no Obligor shall have any further right under any such credit facilities. Each Obligor hereby undertakes, concurrently with the Financial Close, to reimburse all its debts and liabilities owing under such credit facilities with the proceeds of Advances under the Facility A Credit, save and except for debts and liabilities related to the Outstanding Permitted Hedging Agreements described in **Schedule 2.1.35**, if any.

15.11 Term of Agreement

This Agreement shall continue in full force and effect until both the Total Commitment of the Lenders and all Permitted Hedging Agreements have terminated and all indebtedness and liability of the Obligors under or pursuant to this Agreement and the other Loan Documents have been indefeasibly paid and satisfied in full.

15.12 Further Assurances

The Obligors agree to do, execute, acknowledge, deliver, or cause to be done, executed, acknowledged or delivered, all such further acts, deeds, documents, opinions and assurances as may be reasonably requested by the Agent or any Lender from time to time during the term hereof for the purpose of effecting the transactions contemplated hereby and by the Loan Documents.

15.13 Standard Provisions

The model credit agreement provisions set forth in **Schedule 15.13** form part of this Agreement. For the purposes of **Schedule 15.13**, the following shall apply:

15.13.1 The amount referred to in Section 10.2(f) of the Provisions is C\$5,000; and

15.13.2 The Province referred to in Sections 11.1 and 11.2 of the Provisions is the Province of Québec.

15.14 **Language**

The parties hereby confirm their express wish that the present Agreement and all documents and agreements directly and indirectly related thereto, including notices, be drawn up in English. Notwithstanding such express wish, the parties agree that any of such documents, agreements and notices or any part thereof or of this Agreement may be drawn up in French. *Les parties reconnaissent leur volonté expresse que la présente convention ainsi que tous les documents et conventions qui s'y rattachent directement ou indirectement, y compris les avis, soient rédigés en langue anglaise. Nonobstant telle volonté expresse, les parties conviennent que n'importe quel desdits documents, conventions et avis ou toute partie de ceux-ci ou de cette convention puissent être rédigés en langue française.*

15.15 **Whole Agreement**

This Agreement, the other Loan Documents, the Fee Letter and any amendment or supplement thereto entered into in writing between the parties hereto constitute the whole agreement between such parties in respect of the Credit and, unless otherwise agreed in writing, as and from the date of this Agreement, cancels, supersedes and replaces any other prior agreements, undertakings, declarations and representations, written or oral, in respect thereto. Without limiting the generality of the foregoing, any obligation which a Lender had under any other term sheet or any credit offer to make its Facility A Commitment, its Facility B Commitment, or any other financial assistance thereunder available is hereby cancelled and replaced as of the date of this Agreement by such Lender's Commitment under this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

SIGNATURE PAGES AND SCHEDULES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective representatives thereunto duly authorized as of the date first above written.

Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

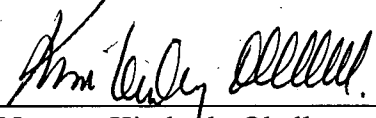
COSSETTE COMMUNICATION GROUP INC.

as Borrower

By: 

Name: Martin Faucher

Title: Vice-President and Chief
Financial Officer

By: 

Name: Kimberly Okell

Title: Vice-President Legal Affairs
and Corporate Secretary

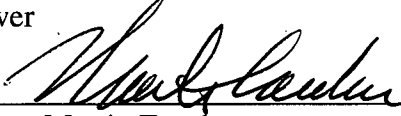
c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

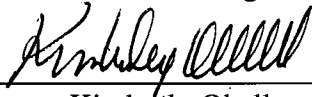
COSSETTE COMMUNICATION INC.

as Borrower

By: 

Name: Martin Faucher

Title: Authorized signatory

By: 

Name: Kimberly Okell

Title: Secretary

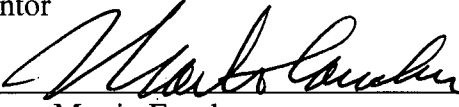
c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

IMPACT RESEARCH INC.

as Guarantor

By: 

Name: Martin Faucher

Title: Authorized signatory

By: 

Name: Kimberly Okell

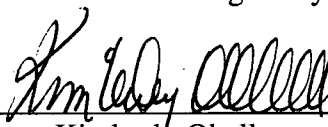
Title: Secretary

c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer
Telecopier: 418-523-1689

**STRATECO STRATEGIC
COMMUNICATIONS GROUP INC.**
as Guarantor

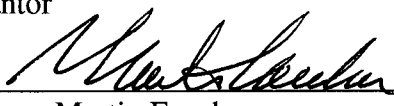
By: 
Name: Martin Faucher
Title: Authorized signatory

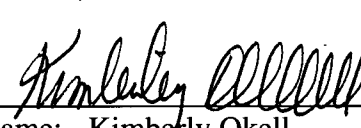
By: 
Name: Kimberly Okell
Title: Secretary

c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer
Telecopier: 418-523-1689

**COSSETTE COMMUNICATION USA
INC.**
as Guarantor

By: 
Name: Martin Faucher
Title: Authorized signatory

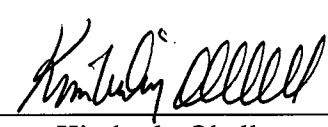
By: 
Name: Kimberly Okell
Title: Corporate Secretary

c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer
Telecopier: 418-523-1689

COSSETTE COMMUNICATIONS INC.
as Guarantor

By: 
Name: Martin Faucher
Title: Authorized signatory

By: 
Name: Kimberly Okell
Title: Corporate Secretary

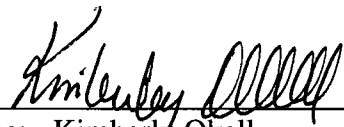
c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

COSSETTE DIGITAL INC.
as Guarantor

By: 
Name: Martin Faucher
Title: Authorized signatory

By: 
Name: Kimberly Okell
Title: Secretary

c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

COSSETTE (BARBADOS) LIMITED
as Guarantor

By: _____
Name: André de Ladurantaye
Title: Director

c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

COSSETTE (BARBADOS) HOLDINGS LIMITED
as Guarantor

By: _____
Name: André Ladurantaye
Title: Director

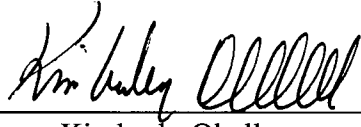
c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

COSSETTE U.K. LIMITED
as Guarantor

By: 
Name: Martin Faucher
Title: Authorized signatory

By: 
Name: Kimberly Okell
Title: Secretary

c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

COSSETTE DIGITAL INC.
as Guarantor

By: _____

Name: Martin Faucher

Title: Authorized signatory

By: _____

Name: Kimberly Okell

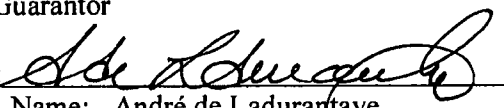
Title: Secretary

c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

COSSETTE (BARBADOS) LIMITED
as Guarantor

By: 

Name: André de Ladurantaye

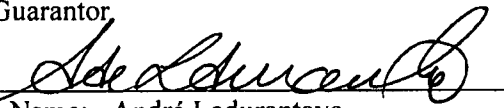
Title: Director

c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

COSSETTE (BARBADOS) HOLDINGS LIMITED
as Guarantor

By: 

Name: André Ladurantaye

Title: Director

c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

COSSETTE U.K. LIMITED
as Guarantor

By: _____

Name: Martin Faucher

Title: Authorized signatory

By: _____

Name: Kimberly Okell

Title: Secretary

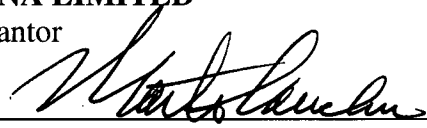
c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

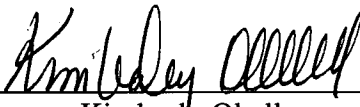
DESIGNA LIMITED

as Guarantor

By: 

Name: Martin Faucher

Title: Director

By: 

Name: Kimberly Okell

Title: Director and Secretary

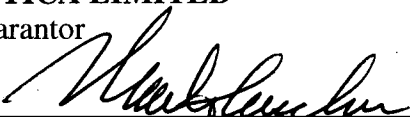
c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

IDENTICA LIMITED

as Guarantor

By: 

Name: Martin Faucher

Title: Director

By: 

Name: Kimberly Okell

Title: Director and Secretary

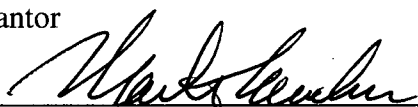
c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

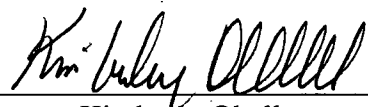
**THE BAND & BROWN GROUP
LIMITED**

as Guarantor

By: 

Name: Martin Faucher

Title: Director

By: 

Name: Kimberly Okell

Title: Director and Secretary

c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

Telecopier: 418-523-1689

**BAND & BROWN
COMMUNICATIONS LIMITED**
as Guarantor

By: 

Name: Martin Faucher

Title: Director

By: 

Name: Kimberly Okell

Title: Director and Secretary

c/o Cossette Communication Group Inc.
Address: 801 Grande-Allée West, Suite 200
Québec, Québec G1S 1C1

Attention: Chief Financial Officer

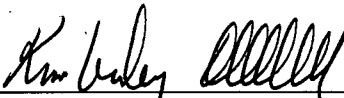
Telecopier: 418-523-1689

**BRANDO COMMUNICATIONS
LIMITED**
as Guarantor

By: 

Name: Martin Faucher

Title: Director

By: 

Name: Kimberly Okell

Title: Director and Secretary

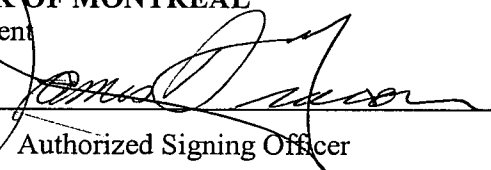
Address for notices:

Agency Services Canada
100 King Street West
19th Floor, First Canadian Place
Toronto, Ontario M5X 1A1

Attention: Manager, Agency Services
Canada

Telecopier: 416-867-5718

BANK OF MONTREAL
as Agent

By: 

Authorized Signing Officer

James Di Giacomo
Director
Loan Syndications

BANK OF MONTREAL
as a Lender and Swingline Lender

By: _____

Authorized Signing Officer

NATIONAL BANK OF CANADA, as a
Lender

By: _____

Authorized Signing Officer

Address for notices:

Agency Services Canada

100 King Street West
19th Floor, First Canadian Place
Toronto, Ontario M5X 1A1

Attention: Manager, Agency Services
Canada

Telecopier: 416-867-5718

BANK OF MONTREAL

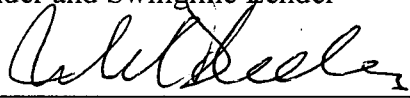
as Agent

By: _____

Authorized Signing Officer

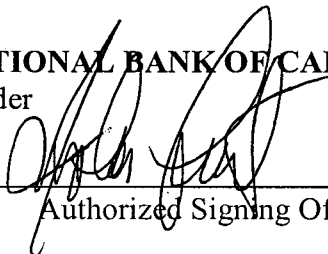
BANK OF MONTREAL

as a Lender and Swingline Lender

By:  _____

Authorized Signing Officer

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

By:  _____

Authorized Signing Officer

SCHEDULE 1.1.10 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
 AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
 COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
 THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
 LENDERS

SCHEDULE 1.1.10
APPLICABLE MARGINS

APPLICABLE MARGINS				
Senior Debt / EBITDA Ratio ("R")	Canadian Rate Advances and US Base Rate Advances	Libor Loans and Euribor Loans spread and Acceptance Fee	Commitment Fees	Letters of Credit Commission*
$R \leq 1.25$	Nil	1.25%	0.25%	1.25%
$1.25:1 < R \leq 2.00:1$	Nil	1.375%	0.25%	1.375%
$2.00:1 < R \leq 2.5:1$	0.25%	1.75%	0.25%	1.75%
$R > 2.5:1$	0.5%	2.125%	0.30%	2.125%

* minimum C400\$ (if Letter of Credit is in CDollars) or US\$400 (if Letter of Credit is in USDollars) per Letter of Credit.

SCHEDULE 1.1.45 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
 AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
 COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
 THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
 LENDERS

SCHEDULE 1.1.45
COMMITMENTS AND ADDRESSES OF LENDERS

NAME AND ADDRESS	Facility A Commitment and Facility A Participation
BANK OF MONTREAL Corporate Finance 105 St-Jacques Street 3 rd Floor Montréal, Québec H2Y 1L6 Attention: Senior account Manager Telecopier: (514) 877-7704	C\$70,000,000 77.778%
National Bank of Canada 600 de la Gauchetière West 1st Floor Montreal Québec H3B 4L2 Attention: Nicolas Laliberté Telecopier: (514) 394-4144	C\$20,000,000 22.222%

SCHEDULE 1.1.79 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 1.1.79
EXISTING LETTERS OF CREDIT

See the attached list.

SCHEDULE 1.1.100 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION, INC. AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 1.1.100
LIST OF GUARANTORS

Impact Research Inc.

Strateco Strategic Communications Group Inc.

Cossette Communication USA Inc.

Cossette Communications Inc.

Cossette Digital Inc.

Cossette (Barbados) Limited

Cossette (Barbados) Holdings Limited

Cossette U.K. Limited

Designa Limited

Identica Limited

The Band & Brown Group Limited

Band & Brown Communications Limited

Brando Communications Limited

SCHEDULE 2.1.6 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 2.1.6
LITIGATION

None.

SCHEDULE 2.1.9 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 2.1.9
LIENS

A. OTHER PERMITTED ENCUMBRANCES

See the attached Schedule. Liens in favour of Bank of America and JP Morgan Chase Bank N.A. registered in the United States and granted by Cossette Communication USA Inc. and Cossette Communication Inc. shall be Permitted Encumbrances for thirty (30) days following the Financial Close.

B. LIENS TO BE DISCHARGED AT FINANCIAL CLOSE

All security described in the attached schedule in favour of Bank of Montreal.

QUEBEC LIENS

A. Groupe Cossette Communication Inc.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
1.	99-0158885-0001 October 1, 1999 October 1, 2009	Rights of ownership of the Lessor Global registration (art. 2961.1 of <i>Civil Code of Québec</i>)	<u>Lessor</u> Corporation Financiere Teletech	<u>Lessee</u> Societe Cossette Communication Marketing Inc.	N/A	All software equipment, present and future, as well as their components and accessories, the whole as more fully described in the registration.
Comments: N/A						
2.	99-0196908-0002 November 18, 1999 November 17, 2009	Rights of ownership of the Lessor Global registration (art. 2961.1 of <i>Civil Code of Québec</i>)	<u>Lessor</u> Corporation Financiere Teletech	<u>Lessee</u> Groupe Cossette Communication Inc. (Info Qc) ¹	N/A	All software equipment, present and future, as well as their components and accessories, the whole as more fully described in the registration.

¹ As this name appears in the registration.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
Comments: N/A						
3.	99-0209857-0006 December 1, 1999 December 1, 2009	Rights of ownership of the Lessor Global registration (art. 2961.1 of <i>Civil Code of Québec</i>)	<u>Lessor</u> Corporation Financiere Teletech	<u>Lessee</u> Grapheme Inc	N/A	All software equipment, present and future, as well as their components and accessories, the whole as more fully described in the registration.
Comments: N/A						
4.	00-0017293-0002 January 25, 2000 January 25, 2010	Rights of ownership of the Lessor Global registration (art. 2961.1 of <i>Civil Code of Québec</i>)	<u>Lessor</u> Corporation Financiere Teletech	<u>Lessee</u> Optimum Relations Publiques Inc	N/A	All software equipment, present and future, as well as their components and accessories, the whole as more fully described in the registration.
Comments: N/A						

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
5.	01-0000291-0001 January 3, 2001 December 31, 2010	Rights of ownership of the Lessor Global registration (art. 2961.1 of <i>Civil Code of Québec</i>)	<u>Lessor</u> Corporation Financiere Teletech	<u>Lessee</u> Groupe Cossette Communication Inc.	N/A	All movable property, present and future, leased by the Lessor to the Lessee, the whole as more fully described in the registration.
Comments: N/A						
6.	01-0228940-0032 June 28, 2001 June 27, 2011	Rights of ownership of the Lessor Global registration (art. 2961.1 of <i>Civil Code of Québec</i>)	<u>Lessor</u> GE Capital Information Technology Solutions Inc GE Capital Solutions Technologies Inc.	<u>Lessee</u> Groupe Cossett Communication Inc. ²	N/A	All property leased by the Lessor to the Lessee from time to time forming part of master lease agreement number MLMCOS001.
Comments: N/A						
7.	02-0329839-0001	Conventional	Bank of Montreal	Groupe Cossette	\$60,000,000	a) all present and future claims of the Grantor (the

² As this name appears in the registration.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
	July 29, 2002 July 28, 2012	hypothec without delivery		Communication Inc. Cossette Communication Group Inc.		"Hypothecated Property"), the whole as more fully described in the registration; b) the proceeds of any sale, assignment, lease or other disposition of the Hypothecated Property, any claim resulting from such a sale, assignment, lease or other disposition, as well as any property acquired in replacement thereof; c) any indemnity or proceeds of insurance payable in respect of the Hypothecated Property; d) any rights attached to the Hypothecated Property, as well as the fruits and revenues thereof; e) all client lists, client records, client files, titles, documents, records, invoices and accounts evidencing the Hypothecated Property or relating thereto, the whole as more fully described in the registration.
Comments: Correction registered on August 19, 2002 under number 02-0364758-0001 modifying the English version of the Grantor's name from Communication Cossette Group Inc. to Cossette Communication Group Inc.						
8.	06-0725280-0012 December 18, 2006 December 16, 2010	Rights under a lease	<u>Lessor</u> Xerox Canada Ltd	<u>Lessee</u> Groupe Cossette Communication Inc	N/A	All present and future office equipment and software supplied or financed from time to time by the Lessor (whether by lease, conditional sale or otherwise), whether or not manufactured by the Lessor or any affiliate thereof.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
Comments: N/A						
9.	07-0240376-0001 May 3, 2007 May 1, 2013	Rights under a lease	<u>Lessor</u> CBSC Capital Inc.	<u>Lessee</u> Groupe Cossette Communication Inc. Cossette Communication Group Inc.	N/A	All goods supplied by the Lessor to the Lessee, together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements to the foregoing, including the proceeds (goods, chattel paper, securities, money, crops, licences and intangibles).
Comments: N/A						
10.	08-0067216-0009 February 7, 2008 January 30, 2012	Rights under a lease and transfer of rights	<u>Lessor</u> Plaza Chevrolet Hummer Cadillac Inc. <u>Assignee</u> Leading Edge Automotive Securitization Partnership Ontario	<u>Lessee</u> Groupe Cossette Communication Inc.	N/A	Specifically described vehicle and all proceeds therefrom.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
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Comments: Transfer of all rights.

Assignment of a universality of claims and rights registered on May 1, 2008 under number 08-0244517-0001 by GMAC Leaseco Corporation in favour of Leading Edge Automotive Securitization Partnership Ontario.

Conventional hypothec without delivery registered on May 1, 2008 under number 08-0245369-0003 granted by Leading Edge Automotive Securitization Partnership Ontario in favour of U.S. Carl Trust 2008-A in the amount of \$1,606,364,752.

Correction registered on June 3, 2008 under number 08-0319231-0002 adding registration numbers under section "Référence à l'inscription visée" of the above hypothec registered under number 08-0245369-0003.

Correction registered on June 3, 2008 under number 08-0321729-0001 adding registration numbers under section "Référence à l'inscription visée" of the above assignment of a universality of claims and rights registered under number 08-0244517-0001.

B. 9201-8217 Québec Inc.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
1	01-0000291-0005 January 3, 2001 December 31, 2010	Rights of ownership of the Lessor Global registration (art. 2961.1 of Civil Code of Québec)	<u>Lessor</u> Corporation Financiere Teletech	<u>Lessee</u> Cossette Communication Inc.	N/A	All movable property, present and future, leased by the Lessor to the Lessee, the whole as more fully described in the registration.
Comments: N/A						
2	02-0329839-0004 July 29, 2002 July 28, 2012	Conventional hypothec without delivery	Bank of Montreal	Cossette Communication Inc. Cossette Communication Inc. also doing business under the names Cossette Media, Fusion Alliance Marketing, Cossette Média, Fusion Marketing d'Alliances, Optimum Public Relations, Geyser Brand Strategies, Blitz Direct & Promotion, Cossette Communication-Marketing, Optimum Relations Publiques, Graphème and	\$60,000,000	a) all present and future claims of the Grantor (the " Hypothecated Property "), the whole as more fully described in the registration; b) the proceeds of any sale, assignment, lease or other disposition of the Hypothecated Property, any claim resulting from such a sale, assignment, lease or other disposition, as well as any property acquired in replacement thereof; c) any indemnity or proceeds of insurance payable in respect of the Hypothecated Property; d) any rights attached to the Hypothecated Property, as well as the fruits and revenues thereof; e) all client lists, client records, client files, titles, documents, records, invoices and accounts evidencing the

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
				Geyser Stratégies de Marque		Hypothecated Property or relating thereto, the whole as more fully described in the registration.
Comments: The Holder authorizes the Grantor to collect when due the capital falling due of, and any revenues of, any other claim.						
3	04-0696509-0016 December 2, 2004 November 30, 2008	Rights under a lease	<u>Lessor</u> Xerox Canada Ltd	<u>Lessee</u> Cossette Communication Inc. Cossette Communication Marketing Inc.	N/A	All present and future office equipment and software supplied or financed from time to time by the Lessor (whether by lease, conditional sale or otherwise), whether or not manufactured by the Lessor or any affiliate thereof.
Comments: N/A						
4	05-0563494-0012 September 30, 2005 September 28, 2009	Rights under a lease	<u>Lessor</u> Xerox Canada Ltd	<u>Lessee</u> Cossette Communication Inc.	N/A	All present and future office equipment and software supplied or financed from time to time by the Lessor (whether by lease, conditional sale or otherwise), whether or not manufactured by the Lessor or any affiliate thereof.
Comments: N/A						
5	06-0000056-0020 December 30, 2005 December 28, 2008	Rights under a lease	<u>Lessor</u> Xerox Canada Ltd	<u>Lessees</u> Cossette Communication Inc. Identica	N/A	All present and future office equipment and software supplied or financed from time to time by the Lessor (whether by lease, conditional sale or otherwise), whether or not manufactured by the Lessor or any affiliate thereof.
Comments: N/A						
6	07-0343200-0001 June 15,	Rights under a lease	<u>Lessor</u> Xerox Canada	<u>Lessee</u> Cossette Communication	N/A	All present and future office equipment and software supplied or financed from time to time by the Lessor (whether

Registration Number	Registration Date	Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
	2007 June 14, 2011			Ltd.	Inc		by lease, conditional sale or otherwise), whether or not manufactured by the Lessor or any affiliate thereof.
Comments: N/A							
7	07-0546935-0005 September 24, 2007 September 20, 2011		Rights under a lease	<u>Lessor</u> Xerox Canada Ltd	<u>Lessees</u> Cossette Communication Inc. Identica	N/A	All present and future office equipment and software supplied or financed from time to time by the Lessor (whether by lease, conditional sale or otherwise), whether or not manufactured by the Lessor or any affiliate thereof.
Comments: N/A							
8	08-0113155-0014 March 4, 2008 March 3, 2018		Reservation of ownership (instalment sale)	<u>Seller</u> Union of B.C. Performers	<u>Buyer</u> Cossette Communications Inc. ¹	N/A	All present and after acquired personal property.
Comments: N/A							
9	08-0238717-0001 April 30, 2008 April 29, 2013		Rights under a lease	<u>Lessor</u> Xerox Canada Ltd	<u>Lessee</u> Cossette Communication Inc.	N/A	All present and future office equipment and software supplied or financed from time to time by the Lessor (whether by lease, conditional sale or otherwise), whether or not manufactured by the Lessor or any affiliate thereof.
Comments: N/A							

¹ As this name appears in the registration.

C. Impact Recherche Inc.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
1.	01-0000291-0003 January 3, 2001 December 31, 2010	Rights of ownership of the Lessor Global registration (art. 2961.1 of <i>Civil Code of Québec</i>)	<u>Lessor</u> Corporation Financiere Teletech	<u>Lessee</u> Impact Recherche Inc.	N/A	All movable property, present and future, leased by the Lessor to the Lessee, the whole as more fully described in the registration.

ONTARIO LIENS

A. Groupe Cossette Communication Inc.

	File No. Registration No. Registration Period Expiry Date	Debtor Name	Secured Party (Creditor)	Collateral Classification	General Collateral Description
1	887574195 20020924103615294562 6 years September 24, 2008	Groupe Cossette Communication Inc. 502 King Street West Toronto, Ontario M5V 1L7	Citicapital Technology Finance Ltd 1600 Boul Rene- Levesque O, 1400 Montreal, Quebec H3H 1P9	equipment accounts other no motor vehicle included	no general collateral description
2	885545325 20020719155880282628 5 years Renewal filed July 4, 2007 20070704143280288731 5 years Expiry date July 19, 2012	Groupe Cossette Communication Inc. Cossette Communication Group Inc. Groupe Cossette Communication Inc./Cossette Communication Group Inc. Cossette Communication Group Inc./Groupe Cossette Communication Inc. 801 Chemin St- Louis, Suite 200 Quebec, Quebec G1S 1C1	Bank of Montreal - Corporate Finance 105 St-Jacques West, 3 rd Floor Montreal, Quebec H2Y 1L6	accounts other no motor vehicle included	no general collateral description

*Note: same search results for Groupe Cossette Communication Inc./Cossette Communication Group Inc. and
Groupe Cossette Communication Inc./Cossette Communication Inc.*

B. Cossette Communication Group Inc.

	File No. Registration No. Registration Period Expiry date	Debtor Name	Secured Party (Creditor)	Collateral Classification	General Collateral Description
1.	635040567 20070507145615306140 6 years May 7, 2013	Cossette Communication Group Inc. 500 King Street West Toronto, Ontario M5V 1L9	CBSC Capital 100 – 1235 North Service Road W. Oakville, Ontario L6M 2W2	equipment other no motor vehicle included	no general collateral description
2.	614537352 20050426140870293552 4 years April 26, 2009	Grapheme, a division of Cossette Communication Group Inc. Grapheme 502 King Street West Toronto, Ontario M5V 1L7	CBSC Capital Inc. 100 – 1235 North Service Road W. Oakville, Ontario L6M 2W2	Equipment other no motor vehicle included	all goods supplied by the secured party pursuant to a lease between the debtor and the secured party, together with all parts and accessories thereto and accession thereto and all replacements or substitutions for such goods and proceeds thereof (proceeds as defined in the Personal Property Security Act (ON)) and any insurance proceeds resulting there from
3.	885545325 20020719155880282628 5 years Renewal filed July 4, 2007 20070704143280288731 5 years Expiry date July 19, 2012	Groupe Cossette Communication Inc. Cossette Communication Group Inc. Groupe Cossette Communication Inc./Cossette Communication Group Inc. Cossette Communication	Bank of Montreal – Corporate Finance 105 St-Jacques West, 3 rd Floor Montreal, Quebec H2Y 1L6	accounts other no motor vehicle included	no general collateral description

		Group Inc./Groupe Cossette Communication Inc. 801 Chemin St- Louis, Suite 200 Quebec, Quebec G1S 1C1			
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Note: same search results for Cossette Communication Group Inc./Groupe Cossette Communication Inc. and Cossette Communication Inc./Groupe Cossette Communication Inc.

C. Cossette Communication Inc.

	File No. Registration No. Registration Period Expiry Date	Debtor Name	Secured Party (Creditor)	Collateral Classification	General Collateral Description
1.	885545334 20020719155880282629 5 years Renewal filed July 4, 2007 20070704143280288732 5 years July 19, 2012	Cossette Communication Inc. 801 Chemin St- Louis, Suite 200 Quebec, Quebec G1S 1C1	Bank of Montreal – Corporate Finance 105 St-Jacques West, 3 rd Floor Montreal, Quebec H2Y 1L6	accounts other no motor vehicle included	no general collateral description
2.	This registration may not be relevant to this debtor name search but appears because the renewal for Cossette Communication Inc. was filed with the wrong reference file number 878034033 20011119100790750446 1 year Renewal filed October 2, 2002 20021002172715905460 5 years Expiry date November 19, 2007 Renewal filed November 15, 2002 20021115144315907622 5 years Expiry date November 19, 2012	Computer Service Depot 583 King Street North, #85 Waterloo, Ontario, N2V 2E5	Merisel Canada Inc. 200 Ronson Drive, Etobicoke, Ontario M9W 5Z9	Inventory equipment accounts other	PMSI – all inventory and all machinery equipment and other tangible personal property purchased acquired or otherwise obtained from the secured party whether now owned or hereafter acquired and all proceeds therefrom

	Renewal filed April 2, 2003 5 years 20030402145015904142 Debtor name – Cossette Communications Inc.				
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D. Grapheme Inc.

	File No. Registration No. Registration Period Expiry Date	Debtor Name	Secured Party (Creditor)	Collateral Classification	General Collateral Description
1.	614537352 20050426140870293552 4 years April 26, 2009	Grapheme, a division of Cossette Communication Group Inc. Grapheme 502 King Street West Toronto, Ontario M5V 1L7	CBSC Capital Inc. 100 – 1235 North Service Road W. Oakville, Ontario L6M 2W2	equipment other no motor vehicle included	all goods supplied by the secured party pursuant to a lease between the debtor and the secured party, together with all parts and accessories thereto and accession thereto and all replacements or substitutions for such goods and proceeds thereof (proceeds as defined in the Personal Property Security Act (ON)) and any insurance proceeds resulting there from

BRITISH COLUMBIA LIENS

	DEBTOR(S)	SECURED PARTY(IES)	FILE NUMBER / REGISTRATION NUMBER	DATE / EXPIRY DATE	COLLATERAL DESCRIPTION
1.	Groupe Cossette Communication Inc. / Cossette Communication Group Inc.	Ricoh Canada Inc.	777770C	Jan. 6, 2006 / Jan. 6, 2009	A specifically described photocopier and tray.
2.	Groupe Cossette Communication Inc. / Cossette Communication Group Inc.	Ricoh Canada Inc.	020710E	Nov. 6, 2007 / Nov. 6, 2012	A specifically described photocopier and accessories.
3.	Cossette Communication Group Inc. Cossette Communication Inc.	Ikon Office Solutions Inc.	493696B	Jan. 20, 2004 / Jan. 20, 2009	All office equipment and goods supplied by the secured party.
4.	Cossette Communication Group Inc. Identica Branding & Design	Xerox Canada Ltd.	689548D	May 23, 2007 / May 23, 2011	All equipment, office equipment and software supplied by the secured party.
5.	Cossette Communication Inc.	IOS Financial Services	743155C	Dec. 14, 2005 / Dec. 14, 2011	All photocopiers, photocopying machines and duplicating devices leased pursuant to the lease number 4303996002.
6.	Cossette Communication Inc. (as amended by the registration bearing the number 452242D)	IOS Financial Services	452242D	Jan. 16, 2007 / Dec. 14, 2011	All photocopiers, photocopying machines and duplicating devices leased pursuant to the lease number 4303996002.

ALBERTA LIENS

PERSONAL PROPERTY SECURITY REGISTER (ALBERTA)						
	DEBTOR(S)	SECURED PARTY(IES)	FILE NUMBER / REGISTRATION NUMBER	DATE / EXPIRY DATE	COLLATERAL DESCRIPTION	COMMENTS
1.	Cossette Communication Inc. Groupe Cossette Communication Inc. / Cossette Communication Group Inc. (as amended by the registration bearing the number 02072304559)	Bank of Montreal	02071830059	July 18, 2002 / July 18, 2012 (as renewed by the registration bearing the number 07070334391)	All book debts. (as amended by the registration bearing the number 02072229681)	
2.	Groupe Cossette Communication Inc. / Cossette Communication Group Inc.	Bank of Montreal	516400A	July 19, 2002 / July 19, 2012	All debts and securities.	
3.	Cossette Communication Inc.	Bank of Montreal	516411A	July 19, 2002 / July 19, 2012	All debts and securities.	

MANITOBA LIENS

PERSONAL PROPERTY SECURITY REGISTER (MANITOBA)						
	DEBTOR(S)	SECURED PARTY(IES)	FILE NUMBER / REGISTRATION NUMBER	DATE / EXPIRY DATE	COLLATERAL DESCRIPTION	COMMENTS
1.	Cossette Communication Group Inc.	Bank of Montreal	200215454907	July 18, 2012	All accounts, debts and other intangibles, chattel paper, documents of title, instruments, securities and security interests (all such terms having the meaning of such terms in the Personal Property Security Act) now due or hereafter to become due to the Debtor or which now are or may hereafter become vested in the Debtor and all proceeds and other rights and benefits in respect thereof.	

SCHEDULE 2.1.10 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
 AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
 COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
 THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
 LENDERS

SCHEDULE 2.1.10
REAL OR IMMOVABLE PROPERTY

OWNED PROPERTY

None.

LEASED PROPERTY

City	Building Address	Tenant
Edmonton	10446 - 122 Street	Cossette Group
Halifax	1701 Hollis Street	Cossette Group
London	57A + 57B Jamestown Road	The Band & Brown Group Limited
London	247 Tottenham Court Rd. 2nd Floor	Cossette UK Limited and Identica Limited (subleased from Miles Calcraft Briginshaw Duffy Limited)
Montréal	1210 Sherbrooke Street West	Cossette Group
Montréal	2100 Drummond Street	Cossette Group
Montréal	481 Viger Street West	Cossette Communication Inc.
Moscow	14/1 Malaya Pirogovskaya St.	Identica Limited
New York	415 Madison Ave	Cossette Communications Inc.
Québec	801 Grande Allée West	Cossette Group
Toronto	500-522 King Street W.	Cossette Group
Toronto	119 Spadina Avenue	Strateco Strategic Comm. Group Inc. [expires November 30, 2008]
Vancouver	1085 Homer Street	Cossette Communication Inc.
Winnipeg	Unit 330 - 136 Market Ave	Cossette Communication Inc.

SCHEDULE 2.1.12 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
 AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
 COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
 THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
 LENDERS

SCHEDULE 2.1.12
INTELLECTUAL PROPERTY

Trademarks	Applicant	Registration number	Date Registered	Country
Altius Sport Marketing	Cossette Group	TMA643,676	2005-07-06	Canada
Altius marketing sportif	Cossette Group	TMA643,970	2005-07-11	Canada
Alias Urban Marketing	Cossette Group	TMA623,529	2004-10-26	Canada
Alias marketing urbain	Cossette Group	TMA623,321	2004-10-25	Canada
Ad Centric	Cossette Group	TMA603,820	2004-03-02	Canada
BLUE SCIENCE	Identica Ltd.	2323982	2003-11-21	UK
Blitz Direct, Data & Promotion	Cossette Group	TMA582,323	2003-05-26	Canada
Convergence	Cossette Group	LMC496,636	1998-06-23	Canada
Convergence	Cossette Group	In progress		USA
Convergence	Cossette Group	In progress		Europe UK
Convergent Communications	Cossette Group	LMC465,350	1996-10-25	Canada
Convergent Communications	Cossette Group	In progress		USA
Convergent Communications	Cossette Group	In progress		Europe

Trademarks	Applicant	Registration number	Date Registered	Country
				UK
Communication Convergente (La)	Cossette Group	LMC439,264	1995-02-10	Canada
Communication Convergente	Cossette Group	In progress		Europe UK
Convergent Search Marketing	Cossette Group	In progress		Canada
Marketing de recherche convergent	Cossette Group	In progress		Canada
Cossette Atlantic	Cossette Group	TMA604,661	2004-03-10	Canada
Cossette B2B	Cossette Group	TMA626,288	2004-11-23	Canada
Cossette Communication-Marketing	Cossette Group	TMA582,358	2003-05-26	Canada
Cossette Convergent Path	Cossette Group	In progress		Canada
Cossette Convergent Path	Cossette Group	In progress		USA
Cossette Convergent Path	Cossette Group	2468890	2007-10-09	UK
Cossette Interactif	Cossette Group	LMC508,377	1999-02-23	Canada
Cossette Interactive	Cossette Group	LMC508,365	1999-02-23	Canada
Cossette Media	Cossette Group	TMA605,264	2004-03-16	Canada
Cossette Média	Cossette Group	TMA604,766	2004-03-10	Canada
Démarche de planification convergente	Cossette Group	TMA624,249	2004-11-02	Canada
Designa-Identica	Identica Ltd.	2840213	2004-05-11	USA
Designa-Identica	Identica Ltd.	2322998	2003-07-18	UK
Designa-Tango	Identica Ltd.	2341265	2004-02-27	UK
DPC	Cossette Group	TMA624,514	2004-11-03	Canada
Dominance convergence	Impact Research Inc.	474541	1998-12-29	Canada
Tableau Dominance convergence	Impact Research Inc.	475311	1999-02-03	Canada
Elvis Communications	Cossette Group	In progress		Canada

Trademarks	Applicant	Registration number	Date Registered	Country
Elvis Communications	Cossette Group			USA
Fjord Interactive Marketing + Technology	Cossette Group	TMA646,674	2005-08-25	Canada
Fjord Marketing interactif + Technologie	Cossette Group	TMA646,495	2005-08-24	Canada
Fusion, Alliance Marketing	Cossette Group	TMA582,328	2003-05-26	Canada
Fusion, Marketing d'Alliances	Cossette Group	TMA582,359	2003-05-26	Canada
Geyser & dessin (LOGO)	Cossette Group	LMC371,571	1990-08-03	Canada
Geyser Brand Strategies	Cossette Group	LMC586,196	2003-07-30	Canada
Geyser Stratégie de Marques	Cossette Group	LMC586,195	2003-07-30	Canada
Graphème Design	Cossette Group	TMA582,327	2003-05-26	Canada
Graphème, Branding & Design	Cossette Group	TMA608,959	2004-04-29	Canada
Graphème/Koo	Cossette Group	TMA627,091	2004-12-01	Canada
Groupe Cossette Communication	Cossette Group	TMA610,025	2004-05-11	Canada
Habitat de la marque	Cossette Group	LMC570,633	2002-11-12	Canada
Brand Habitat	Cossette Group	TMA613,792	2004-06-29	Canada
Brand Habitat	Cossette Group	3,417,091	2008-04-29	USA
Brand Habitat	Cossette Group	2,451,561	2007-04-03	UK
Image Vectors & dessin (LOGO)	Cossette Group	LMC506,197	1999-01-07	Canada
Identica	Cossette Group	TMA674,911	2006-10-16	Canada
Identica	Identica Ltd.	1505941	1994-04-05	UK
Identica	Identica Ltd.	2234661	2000-12-29	UK
Identica	Identica Ltd.	2241629	2001-03-02	UK
Identica Branding & Design	Cossette Group	TMA683,324	2007-03-09	Canada
Identica branding et design	Cossette Group	TMA687,689	2007-05-14	Canada
Identica Branding & Design	Cossette Group	3,349,969	2007-12-04	USA
Vecteurs d'Image & dessin (LOGO)	Cossette Group	LMC506,195	1999-01-07	Canada
Impact Recherche	Cossette Group	TMA582,360	2003-05-26	Canada

Trademarks	Applicant	Registration number	Date Registered	Country
Impact Research	Cossette Group	TMA592,673	2003-10-21	Canada
Magnet Search Marketing	Cossette Group	In progress		Canada
Magnet marketing de recherché	Cossette Group	In progress		Canada
Mombudsman	Cossette Group	TMA709,604	2008-03-17	Canada
Nömad	Cossette Group	TMA591,947	2003-10-09	Canada
Nucleus Strategic Core Properties	Cossette Group	TMA593,779	2003-11-03	Canada
Nucleus Propriétés Stratégiques	Cossette Group	TMA594,226	2003-11-06	Canada
Optimum	Cossette Group	LMC536,166	2000-10-30	Canada
Optimum	Cossette Group			USA
Optimum fusion	Cossette Group	LMC536,167	2000-10-30	Canada
Optimum fusion Communications Sponsoring	Cossette Group	LMC453,403	1996-02-02	Canada
Optimum Relations Publiques	Cossette Group	TMA582,324	2003-05-26	Canada
Optimum Public Relations	Cossette Group	TMA582,326	2003-05-26	Canada
PEOPLE FROM COSSETTE	Cossette Group	In progress		Canada
PEOPLE FROM COSSETTE	Cossette Group	In progress		USA
PEOPLE FROM COSSETTE	Cossette Group	In progress		UK
LE MONDE DE COSSETTE	Cossette Group	In progress		Canada
Personality profile	Cossette Group	LMC484,879	1997-10-29	Canada
Pop Brands	Cossette Group	TMA720,011	2008-07-31	Canada
Marques pop	Cossette Group	TMA720,008	2008-07-31	Canada
Profil de personnalité	Cossette Group	LMC484,856	1997-10-29	Canada
Proximi-T	Cossette Group	TMA637,097	2005-04-11	Canada
Proximi-T	Cossette Communication Inc.	3,051,927	2006-01-31	USA
QuestionR & dessin (LOGO)	Cossette Group	LMC564,516	2002-07-09	Canada
Reciproca & dessin (LOGO)	Cossette Group	TMA632,539	2005-02-10	Canada USA

Trademarks	Applicant	Registration number	Date Registered	Country
Resonance CRM from Cossette	Cossette Group	TMA602,933	2004-02-23	Canada
Resonance CRM from Cossette	Cossette Group	2,954,092	2005-05-24	USA
Ricochet Branded Content	Cossette Group	TMA708,295	2008-02-26	Canada
Ricochet création de contenu	Cossette Group	TMA691,973	2007-07-13	Canada
SellWell	Cossette Communications Inc.	In progress		Canada
SellWell	Cossette Communications Inc.	In progress		USA
Spider Graph Visualization	Cossette Group	In progress		Canada
Strateco	Strateco	LMC592007	2003-10-09	Canada
Sushi Group	Cossette Group	TMA715,438	2008-05-29	Canada
TANGO DESIGN	Identica Ltd.	E2000669	2001-12-20	UK
TANGO+	Identica Ltd.	2315496	2004-01-09	UK
Target Zooming Process	Cossette Group	In progress		Canada
TCP	Cossette Group	TMA624,327	2004-11-02	Canada
Total Convergent Planning	Cossette Group	TMA623,858	2004-10-28	Canada
TES & dessin (LOGO)	Cossette Group	LMC327,335	1987-05-08	Canada

Trade Names	Held By	Territory
Optimum Public Relations	Cossette Communication Inc.	Ontario
Blitz Direct: Data & Promotion	Cossette Communication Inc.	Ontario
Cossette B2B	Cossette Communication Inc.	Ontario
Cossette Communication	Cossette Communication Inc.	Ontario
Cossette Media	Cossette Communication Inc.	Ontario
Fjord Interactive Marketing & Technology	Cossette Communication Inc.	Ontario
Fusion Alliance Marketing	Cossette Communication Inc.	Ontario
Koo Creative	Cossette Communication Inc.	Ontario

Trade Names	Held By	Territory
Strateco Blitz	Cossette Communication Inc.	Ontario
Blitz Promo & Events	Cossette Communication Inc.	Ontario
Bloom Digital Platforms	Cossette Communication Inc.	Ontario
Identica Branding & Design	Cossette Communication Inc.	Ontario
Impact Research	Cossette Communication Inc.	Ontario
Magnet Search Marketing	Cossette Communication Inc.	Ontario
Nucleus Strategic Core Properties	Cossette Communication Inc.	Ontario
Soda Post	Cossette Communication Inc.	Ontario
Cossette	Cossette Group	British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island
Cossette Communications	Cossette Communications Inc.	New York State
Cossette Atlantic	Cossette Communication Inc.	Nova Scotia
Cossette Communications	Cossette Communication Inc.	Nova Scotia
Bloom Digital Platforms	Cossette Communication Inc.	British Columbia
Identica Koo	Cossette Communication Inc.	British Columbia
Altius Sport Marketing	Cossette Communication Inc.	British Columbia
Cossette Communications	Cossette Communication Inc.	British Columbia
Identica Branding & Design	Cossette Communication Inc.	British Columbia
Fjord Interactive Marketing & Technology	Cossette Communication Inc.	British Columbia
Cossette Media	Cossette Communication Inc.	British Columbia
Alias Urban Marketing	Cossette Communication Inc.	British Columbia
Blitz Direct, Data & Promotion	Cossette Communication Inc.	British Columbia
Cossette Communication-Marketing	Cossette Communication Inc.	British Columbia
Alias Marketing urbain	Cossette Communication Inc.	Quebec
Alias Urban Marketing	Cossette Communication Inc.	Quebec
Altius Marketing sportif	Cossette Communication Inc.	Quebec

Trade Names	Held By	Territory
Altius Sport Marketing	Cossette Communication Inc.	Quebec
Blitz Direct, Data & Promotion	Cossette Communication Inc.	Quebec
Blitz Promo & Évènements	Cossette Communication Inc.	Quebec
Blitz Promo & Events	Cossette Communication Inc.	Quebec
Bloom Plateformes numériques	Cossette Communication Inc.	Quebec
Bloom Digital Platforms	Cossette Communication Inc.	Quebec
Cossette Atlantic	Cossette Communication Inc.	Quebec
Cossette Atlantique	Cossette Communication Inc.	Quebec
Cossette B2B	Cossette Communication Inc.	Quebec
Cossette Communications	Cossette Communication Inc.	Quebec
Cossette Communication	Cossette Communication Inc.	Quebec
Cossette Média	Cossette Communication Inc.	Quebec
Cossette Media	Cossette Communication Inc.	Quebec
Fjord Marketing Interactif + Technologie	Cossette Communication Inc.	Quebec
Fjord Interactive Marketing + Technology	Cossette Communication Inc.	Quebec
Fusion Marketing d'Alliances	Cossette Communication Inc.	Quebec
Fusion Alliance Marketing	Cossette Communication Inc.	Quebec
Identique Koo	Cossette Communication Inc.	Quebec
Identica Koo	Cossette Communication Inc.	Quebec
Identica Branding & Design	Cossette Communication Inc.	Quebec
Identica Branding et Design	Cossette Communication Inc.	Quebec
Identique Branding et Design	Cossette Communication Inc.	Quebec
Impact Recherche	Cossette Communication Inc.	Quebec
Impact Research	Cossette Communication Inc.	Quebec
Création Koo	Cossette Communication Inc.	Quebec
Koo Creative	Cossette Communication Inc.	Quebec
Optimum Relations publiques	Cossette Communication Inc.	Quebec
Optimum Public Relations	Cossette Communication Inc.	Quebec

Trade Names	Held By	Territory
Nucleus Propriétés stratégiques	Cossette Communication Inc.	Quebec
Nucleus Strategic Core Properties	Cossette Communication Inc.	Quebec
Proximi-T	Cossette Communication Inc.	Quebec
Soda Post	Cossette Communication Inc.	Quebec
Strateco/Blitz	Cossette Communication Inc.	Quebec

SCHEDULE 2.1.13 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 2.1.13
COMPLIANCE WITH LAWS

None.

SCHEDULE 2.1.14 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 2.1.14
TAXES

None.

SCHEDULE 2.1.19 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 2.1.19
LICENSES

None.

SCHEDULE 2.1.20 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 2.1.20
WITHHELD TAXES

None.

SCHEDULE 2.1.23 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 2.1.23
PERFECTION EXCEPTONS

As of the date hereof, the security interest granted to the Agent and the Lenders by Cossette Communication USA Inc. and Cossette Communications Inc. (collectively, the "US Subsidiaries") under the applicable Security Documents has been perfected by filing a UCC-1 Financing Statement in the State of Delaware and State of New York, respectively, with respect to Collateral that is of the type that may be perfected by filing a UCC Financing Statement in such jurisdictions. In addition, the trademark collateral agreement by Cossette Communications Inc. will be filed with the United States Patent and Trademark Office. To the extent perfection of any Collateral requires possession, control or other action by the US Subsidiaries, the Agent or the Lenders as required or may be requested by the Agent or the Lenders as set forth in Sections 4(j), 4(n), 4(o), 5(b), 5(d), 6(b), 7(e), 8(b), 8(d), 8(g) of the Security Document to which the US Subsidiaries are party to, then the Agent's and the Lenders' security interest in such Collateral will be perfected upon the taking of such action with respect to such Collateral.

SCHEDULE 2.1.24 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

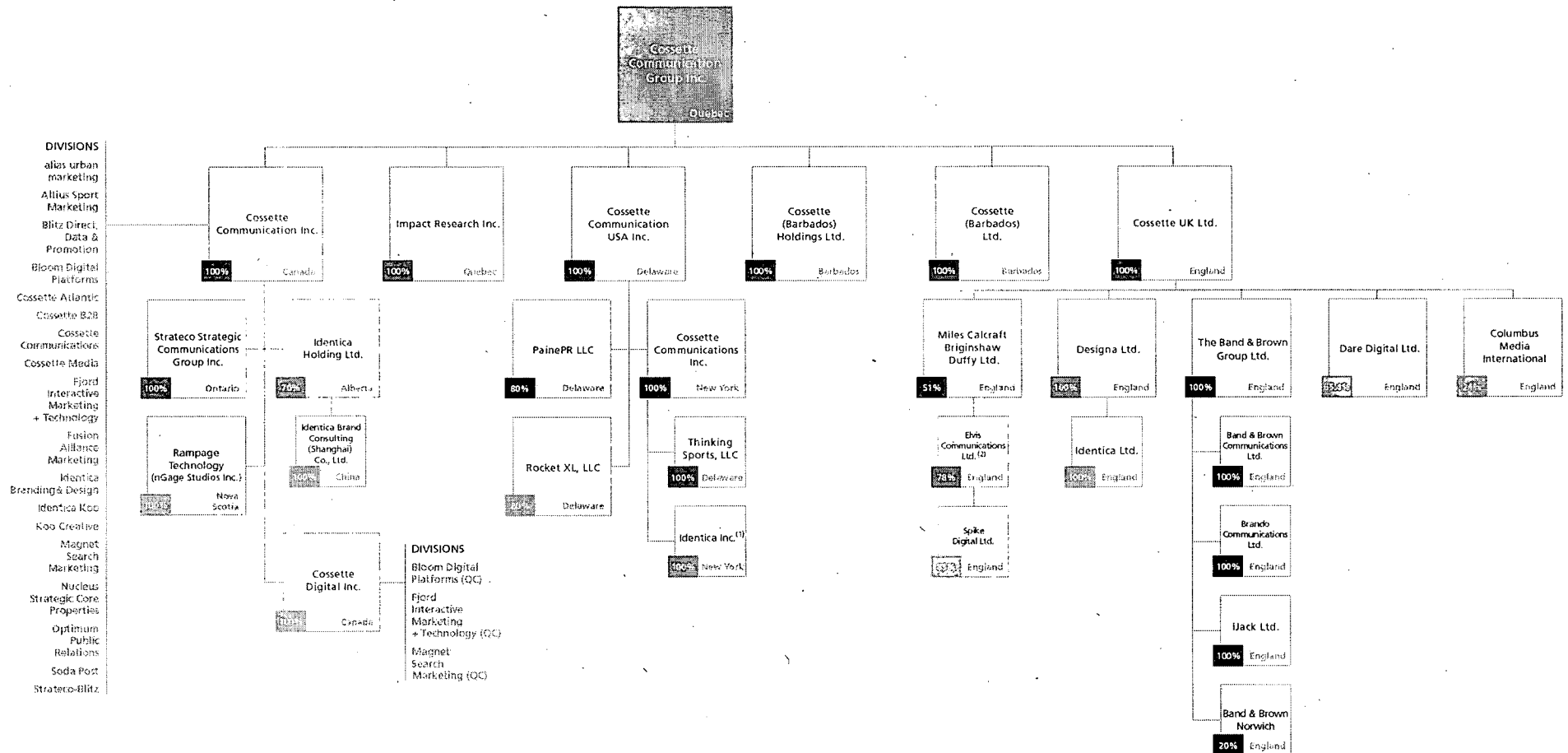
SCHEDULE 2.1.24
CORPORATE CHART, SUBSIDIARIES OF COSSETTE GROUP
AND PERFECTION CERTIFICATE

The Corporate Chart of the Borrowers and Perfection Certificate for the Obligors delivered at the closing are incorporated herein by reference.

COSSETTE CORPORATE ORGANIZATION CHART

100% : Percentage of ownership

Quebec : Jurisdiction of incorporation



Notes:

- (1) The ownership of Identica Inc. is 80% by Cossette Communications and 10% by Cossette Communication USA Inc.
- (2) The ownership of Elvis Communications Limited is 56% by Miles Calcraft Briginshaw Duffy Limited and 22% by Cossette UK Limited.

SCHEDULE 2.1.26 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 2.1.26
MATERIAL CONTRACTS

None.

SCHEDULE 2.1.27 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 2.1.27
EXISTING INDEBTEDNESS

- Debt of the Borrowers to BMO.

SCHEDULE 2.1.28 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
 AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
 COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
 THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
 LENDERS

SCHEDULE 2.1.28
BANK ACCOUNTS OTHER THAN WITH BANK OF MONTREAL

Bank	City	Country	Company
Royal Bank	Quebec	Canada	Cossette Group
Barclays Bank	London	UK	Cossette UK Limited
Barclays Bank	London	UK	Cossette Group
Barclays Bank	London	UK	The Band & Brown Group Limited
Barclays Bank	London	UK	Brando Communications Limited
Royal Bank of Scotland	London	UK	Identica Limited
Barclays Bank	London	UK	Identica Limited
Bank of America	New York	USA	Cossette Communications Inc.
Bank of America	New York	USA	Cossette Communications Inc.

SCHEDULE 2.1.29 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 2.1.29
FISCAL YEAR OF OBLIGORS

September 30.

SCHEDULE 2.1.30 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 2.1.30
LABOUR MATTERS

None.

SCHEDULE 2.1.35 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 2.1.35
OUTSTANDING PERMITTED HEDGING AGREEMENTS

None.

SCHEDULE 3.2 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008 AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS LENDERS

SCHEDULE 3.2
NOTICE OF BORROWING
FACILITY A CREDIT

TO: **BANK OF MONTREAL, as Agent**
Agency Services Canada
100 King Street West
19th Floor, First Canadian Place
Toronto, Ontario M5X 1A1
Attention: Manager, Agency Services Canada
Tel: (416) 867-5639
Fax: (416) 867-5718

Gentlemen:

We refer to the Credit Agreement dated as of November 27, 2008 (the "**Credit Agreement**") among Cossette Communication Group Inc. and Cossette Communication Inc., as Borrowers, Bank of Montreal, as Agent, and the financial institutions named on the signature pages thereof, as Lenders and hereby:

1. give you notice, irrevocably, that the undersigned Borrower hereby requests a Borrowing under the Facility A Credit under the Credit Agreement, in the aggregate amount of CS\$_____ and/or of US\$_____ to be made on _____, _____, consisting of:

- (a) CS\$_____ by way of Canadian Rate Advances;
- (b) CS\$_____ by way of Acceptances and we hereby select the Bankers' Acceptances or BA Equivalent Advances shall mature on _____, _____;
- (c) US\$_____ by way of US Base Rate Advances;
- (d) US\$/£/€ _____ by way of Libor Advances or Euribor Advances and we hereby select an initial Interest Period of _____ in respect of each Libor Loan Portion or Euribor Loan Portion;

2. confirm that the Lenders are to make the Borrowing available in accordance with ARTICLE 3 (except Section 3.10) of the Credit Agreement.

We hereby confirm that no Default or Event of Default has occurred and is continuing and, without limiting the generality of the foregoing, that all representations and warranties set out in the Credit Agreement and the Other Loan Documents are true and correct.

The expressions defined in the Credit Agreement shall have the same meaning when used herein as that assigned to them in the Credit Agreement.

Dated: _____, _____.

Yours truly,

**[Insert name of Borrower requesting
Advance]**

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

SCHEDULE 3.8 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008 AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS LENDERS

SCHEDULE 3.8
NOTICE OF CONVERSION
FACILITY A CREDIT

TO: **BANK OF MONTREAL, as Agent**
Agency Services Canada
100 King Street West
19th Floor, First Canadian Place
Toronto, Ontario M5X 1A1
Attention: Manager, Agency Services Canada
Tel: (416) 867-5639
Fax: (416) 867-5718

Gentlemen:

We refer to the Credit Agreement dated as of November 27, 2008 (the "**Credit Agreement**") among Cossette Communication Group Inc. and Cossette Communication Inc., as Borrowers, Bank of Montreal, as Agent, and the financial institutions named on the signature pages thereof, as Lenders and hereby:

1. give you notice, irrevocably, that the undersigned Borrower hereby requests a Conversion Advance under the Facility A Credit under the Credit Agreement to be made on _____, _____, the aggregate Conversion Advances to be as follows:

Converted Advance

(state details of part
of Loan to be converted)

USDollars/CDollars/£/€ _____

Outstanding as: _____

(insert Canadian Rate Advances, US Base Rate
Advances, Libor Advances, Euribor Advances,
Bankers' Acceptances or BA Equivalent
Advances)

Conversion Advance

(a) Canadian Rate Advances in CDollars;

(b) Bankers' Acceptances in CDollars and we
hereby select the Bankers' Acceptances or
BA Equivalent Advances shall mature on
_____, _____

(c) US Base Rate Advances in USDollars;

Libor Advances or Euribor Advances in
USDollars/£/€ and we hereby select an initial
Interest Period of _____ months in respect
of each Libor Loan Portion or Euribor Loan
Portion;

2. confirm that the Lenders are to make the Conversion Advance in accordance with the Credit Agreement.

We hereby confirm that no Default or Event of Default has occurred and is continuing and, without limiting the generality of the foregoing, that all representations and warranties set out in the Credit Agreement and the Other Loan Documents are true and correct.

The expressions defined in the Credit Agreement shall have the same meaning when used herein as that assigned to them in the Credit Agreement.

Dated: _____, _____.

Yours truly,

**[Insert name of Borrower requesting
Conversion]**

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

SCHEDULE 5.2 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008 AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS LENDERS

SCHEDULE 5.2
NOTICE OF OPTIONAL REPAYMENT
FACILITY A CREDIT

TO: **BANK OF MONTREAL, as Agent**
Agency Services Canada
100 King Street West
19th Floor, First Canadian Place
Toronto, Ontario M5X 1A1
Attention: Manager, Agency Services Canada
Tel: (416) 867-5639
Fax: (416) 867-5718

Gentlemen:

We refer to the Credit Agreement dated as of November 27, 2008 (the "**Credit Agreement**") among Cossette Communication Group Inc. and Cossette Communication Inc., as Borrowers, Bank of Montreal, as Agent, and the financial institutions named on the signature pages thereof, as Lenders, and hereby give you notice, irrevocably, that the undersigned Borrower shall make an optional repayment under the Facility A Credit pursuant to the Credit Agreement on _____, _____, in the aggregate amount of C\$_____ and/or of US\$_____.

The expressions defined in the Credit Agreement shall have the same meaning when used herein as that assigned to them in the Credit Agreement.

Dated: _____.

Yours truly,

[Insert name of Borrower making repayment]

By: _____

By: _____
Authorized Signing Officer

SCHEDULE 9.1 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008 AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS LENDERS

**SCHEDULE 9.1
AGENT'S ACCOUNTS**

PAYMENT/WIRE TRANSFER INSTRUCTIONS:

CDollars Payment Instructions:

S.W.I.F.T. BIC DOE: BOFMCAM2
Bank of Montreal
International Banking Head Office
Montreal, Quebec
First Canadian Place
Toronto, Ontario
Transit Number: 0002
Beneficiary: 00021455151
Internal Suspense Loan Agency A/C Jo-Anne Panizares for Cossette

USDollars Payment Instructions:

Wachovia NA – NYC
ABA – 0260-0509-2
Swift Address – PNBPU33NNYC
To pay Bank of Montreal – GPS, Canada
Account #2000192009878
F/O Beneficiary A/C #00024681014
Internal Suspense Loan Agency A/C for Cossette

£ Payment Instructions:

Pay Lloyds TSB Bank PLC, London
Acct No. 01033329 SWIFT LOYDGB2L
For account of Bank of Montreal, Montreal
Ref: Cossette Attn: Jo-Anne Panizares/Hector Almonte

€ Payment Instructions:

Pay Lloyds TSB Bank PLC, London
Acct No. 86037171 SWIFT LOYDGB2L
For account of Bank of Montreal, Montreal
Ref: Cossette Attn: Jo-Anne Panizares/Hector Almonte

SCHEDULE 10.1.1.14 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION, INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 10.1.1.14
OPINIONS OF FASKEN MARTINEAU DUMOULIN LLP AND OF DAVIS &
GILBERT LLP

SCHEDULE 11.1.2.5 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 11.1.2.5
FORM OF CERTIFICATE OF COMPLIANCE

Bank of Montreal, as Agent
Agency Services Canada
100 King Street West
19th Floor, First Canadian Place
Toronto, Ontario M5X 1A1

Attention: Manager, Agency Services Canada

Dear Sirs:

I, the undersigned being the duly appointed [**chief financial officer**] of Cossette Communication Group Inc. ("**Cossette Group**"), do hereby certify to the Lenders, solely in such capacity and without personal liability, that:

1. This certificate is delivered pursuant to a credit agreement dated as of November 27, 2008 between Cossette Communication Group Inc. and Cossette Communication Inc., as borrowers, and Bank of Montreal and National Bank of Canada, as lenders and Bank of Montreal, as agent (such credit agreement as heretofore amended, supplemented, replaced, restated or otherwise modified, the "**Credit Agreement**"). Unless otherwise defined herein, all capitalized terms appearing in this certificate (including its Schedule I) which are defined in the Credit Agreement, shall have the meaning assigned to such terms in the Credit Agreement;
2. I am familiar with and have examined the provisions of the Credit Agreement (including, without limitation, the financial covenants and ratios set forth in Article 11.2 of the Credit Agreement and representations, warranties and other covenants set forth in the Credit Agreement), and I have made all appropriate investigations of the records of the Borrowers and the Guarantors and have asked all questions to the other executives and officers of the Borrowers and the Guarantors as I have deemed necessary or useful to allow me to give this certificate knowledgeably;

3. Based on the foregoing, I hereby certify, for and on behalf of Cossette Group, that the following (on a consolidated basis) are true and correct and have been made in accordance with the Credit Agreement;
4. The period to which the following calculations and details relate commenced on _____ and ended on _____ (the "Reference Period"):

a. Senior Debt to EBITDA (Section 11.2.1 of the Credit Agreement)

Senior Debt to EBITDA must not be greater than, for each financial quarter of Cossette Group, 2.75:1.00, the whole determined as of the last day of each financial quarter of Cossette Group on a trailing four quarter period basis.

I hereby certify, for and on behalf of Cossette Group, not in my personal capacity and without personal liability, to the Lenders and the Agent that Cossette Group is in compliance with Section 11.2.1 of the Credit Agreement being the Senior Debt to EBITDA ratio. At the end of the Reference Period, the said ratio was •:1.00, the whole as more fully appears from **Schedule I** hereto.

b. Fixed Charge Coverage ratio (Section 11.2.3 of the Credit Agreement)

Fixed Charge Coverage Ratio must be equal to or greater than 1.25:1, the whole determined as of the last day of each financial quarter of Cossette Group, on a trailing four-quarter period basis.

I hereby certify, for and on behalf of Cossette Group, not in my personal capacity and without personal liability, to the Lenders and the Agent that Cossette Group is in compliance with Section 11.2.3 of the Credit Agreement being the Fixed Charge Coverage ratio. At the end of the Reference Period, the said ratio was •, the whole as more fully appears from **Schedule I** hereto.

c. Total Debt to Capitalization ratio (Section 11.2.5 of the Credit Agreement)

Total Debt to Capitalization ratio must be equal to or less than 45% for each fiscal quarter of Cossette Group ending after •.

I hereby certify, for and on behalf of Cossette Group, not in my personal capacity and without personal liability, to the Lenders and the Agent that Cossette Group is in compliance with Section 11.2.5 of the Credit Agreement being the Total Debt to Capitalization ratio. At the end of the Reference Period, the said ratio was •, the whole as more fully appears from **Schedule I** hereto.

5. To the best of my knowledge, I certify, for and on behalf of Cossette Group, not in my personal capacity and without personal liability, after reasonable enquiry, that the Borrowers, the Guarantors and their respective subsidiaries comply with the covenants in Article 11 of the Credit Agreement as of the date hereof and that all representations and

warranties of the Obligor set out in the Credit Agreement and in any other Loan Documents are true and correct as of the date hereof.

6. I certify, for and on behalf of any Obligor to which the restrictions set forth in Article 123.66 of the *Companies Act* (Quebec) apply, that the limit to their capacity to guarantee the Obligations of the Borrowers is on the date hereof the amount set forth in Schedule "A" hereto.
7. I hereby certify, for and on behalf of the Borrowers, not in my personal capacity and without personal liability, that I have no knowledge of any Default or Event of Default that occurred and is continuing under the Credit Agreement.
8. The financial statements for the financial quarter most recently ended are delivered to the Agent together with this Certificate in accordance with the Credit Agreement. Such non-audited financial statements of each Obligor (consolidated or not consolidated, as the case may be) and the related statements of income and retained earnings and of cash flows of the said Persons, present fairly and in all material respects the financial condition of the said Persons as at the dates of such financial statements and the results of the operations of the said Persons for the periods covered by such financial statements, all in accordance with Applicable Accounting Principles consistently applied (subject to normal year end adjustments and lack of footnote disclosure in the case of interim financial statements).
9. I hereby certify, for and on behalf of the Borrowers, not in my personal capacity and without personal liability, that the information and disclosures provided in all of the schedules, as previously updated or corrected, are true and complete in all respects **[or will be true and complete in all respects once updated in accordance with a schedule hereto]**.
10. I hereby certify, for and on behalf of the Borrowers, not in my personal capacity and without personal liability, the absence of any contingent liabilities or anticipated losses having a Material Adverse Effect.
11. I hereby certify, for and on behalf of the Borrowers, not in my personal capacity and without personal liability, that the aggregate amount of Asset Dispositions, and all purchases of assets to replace the Assets disposed of, made by any Obligor during the twelve month period ended • is C\$•, the aggregate of Asset Dispositions to such date and since the Closing Date is C\$• and the book value of the Assets sold is C\$•.
12. I hereby certify, for and on behalf of the Borrowers, not in my personal capacity and without personal liability, after reasonable enquiry, that the Obligor has not received any insurance proceeds described in Section 11.4 of the Credit Agreement or made any offering, private placement or other issuance of equity or any issuance of debt or any other borrowing, other than under the Credit or debt permitted under the Credit Agreement, during the financial quarter ended •.

13. I hereby certify, for and on behalf of the Borrowers, not in my personal capacity and without personal liability, that no Indebtedness of any Obligor exists other than Indebtedness permitted under Section 11.3.1, Senior Debt owed to another Obligor and the Borrowings under the Credit Agreement.

14. [To be added for any Compliance Certificate delivered pursuant to Section 11.3.9.1.5] I hereby certify, for and on behalf of the Borrowers, not in my personal capacity and without personal liability, that, as of the closing date of the proposed Acquisition of [describe Acquisition] and after accounting for such Acquisition, Cossette Group is not and will not be in default in the performance of its financial covenants under the Credit Agreement.

Dated at Montreal, Quebec, this day of _____, _____.

COSSETTE COMMUNICATION GROUP INC.

Per: _____
Name: _____
Chief Financial Officer

SCHEDULE "A" – LIMITS TO CERTAIN GUARANTEES

GUARANTOR (QUEBEC COMPANIES ONLY)	ABILITY TO PAY DEBTS WHEN DUE (Y/N)	BOOK VALUE OF ASSETS	REALIZABLE VALUE OF ASSETS	LIABILITIES	ISSUED AND PAID UP SHARE CAPITAL ACCOUNT	RESULT
Impact Research Inc.	Y	•	•	•	•	•

SCHEDULE 12.1 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 12.1
SECURITY DOCUMENTS

I. Security pursuant to the Laws of the Province of Quebec

For each Obligor which is domiciled in or has property situated in the Province of Quebec and unless otherwise not required by the Agent:

- a debenture or bond to be issued in favour of the Agent for the sum of \$180,000,000
- a pledge of such debenture or bond in favour of the Agent for the sum of \$180,000,000
- a deed of movable and immovable hypothec in favour of the Attorney securing obligations under the debenture or bond, and hypothecating for the sum C\$180,000,000 each such Obligor's present and future movable and immovable property situated in the Province of Quebec or which may otherwise be hypothecated pursuant to the laws of the Province of Quebec

II. Security pursuant to the laws of other jurisdictions

For each Obligor which is domiciled, carries on business, has its chief executive office, or has property situated, in Canada outside the Province of Quebec or in the United States of America:

- a security agreement executed according to the laws of such jurisdiction or such other laws as the Agent may elect, in favour of the Agent and charging all of such Obligor's present and future personal property
- a mortgage or debenture in favour of the Agent and charging all of such Obligor's real property in accordance with the laws applicable to the creation of such charge or such other laws as the Agent may elect
- an Assignment of insurance proceeds
- account control agreements, if requested by the Agent

SCHEDULE 15.13 TO CREDIT AGREEMENT DATED AS OF NOVEMBER 27, 2008
AMONG COSSETTE COMMUNICATION GROUP INC. AND COSSETTE
COMMUNICATION INC., AS BORROWERS, BANK OF MONTREAL, AS AGENT AND
THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGES THEREOF, AS
LENDERS

SCHEDULE 15.13
MODEL CREDIT AGREEMENT PROVISIONS

The attached model credit agreement provisions, which have been revised under the direction of the Canadian Bankers' Association Secondary Loan Market Specialist Group from provisions prepared by The Loan Syndications and Trading Association, Inc., form part of this Agreement, except for the footnotes to the model credit agreement provisions, if any, and subject to the following variations:

1. Section 3.2 of these Provisions shall be subject to the provisions of Section 9.8 of the Agreement.
2. The application of Article 5 is limited by the provisions of Section 5.6 of the Agreement.
3. Article 7 is subject to amendment in accordance with the provisions of Section 15.4 of the Agreement.
4. Any reference in the Provisions to "jointly and severally" and "severally" shall be replaced, respectively, by the words "solidarily" and "jointly".

MODEL CREDIT AGREEMENT PROVISIONS

1. Definitions

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

“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.

“Agreement” means the credit agreement of which these Provisions form part.

“Applicable Law” means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgement, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law.

“Applicable Percentage” means with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be the percentage of the total outstanding Loans and participations in respect of Letters of Credit represented by such Lender’s outstanding Loans and participations in respect of Letters of Credit.

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

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

“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.

“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.

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

“Eligible Assignee” means any Person (other than a natural person, any Obligor or any Affiliate of an Obligor), in respect of which any consent that is required by Section 10.2 has been obtained.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of an Obligor hereunder, (a) taxes imposed on or measured by its net income, and franchise taxes imposed on it (in lieu of net income 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 located and (c) in the case of a Foreign Lender (other than (i) an assignee pursuant to a request by the Borrower under Section 3.3(b), (ii) an assignee pursuant to an Assignment and Assumption made when an Event of Default has occurred and is continuing or (iii) any other assignee to the extent that the Borrower has expressly agreed that any withholding tax shall be an Indemnified Tax), any withholding tax that (A) is not imposed or assessed in respect of a Loan that was made on the premise that an exemption from such withholding tax would be available where the exemption is subsequently determined, or alleged by a taxing authority, not to be available and (B) is required by Applicable Law to be withheld or paid in respect of any amount payable hereunder or under any Loan Document to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) or is attributable to such Foreign Lender’s failure or inability (other than as a result of a Change in Law) to comply with Section 3.2(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from an Obligor with respect to such withholding tax pursuant to Section 3.2(a). For greater certainty, for purposes of item (c) above, a withholding tax includes any Tax that a Foreign Lender is required to pay pursuant to Part XIII of the *Income Tax Act* (Canada) or any successor provision thereto.

“Foreign Lender” means any Lender that is not organized under the laws of the jurisdiction in which the Borrower is resident for tax purposes and that is not otherwise considered or deemed in respect of any amount payable to it hereunder or under any Loan Document to be resident for income tax or withholding tax purposes in the jurisdiction in which the Borrower is resident for tax purposes by application of the laws of that jurisdiction. For

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.

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

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

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Issuing Bank” means the Person named elsewhere in this Agreement as the issuer of Letters of Credit on the basis that it is “fronting” for other Lenders and not on the basis that it is the attorney of other Lenders to sign Letters of Credit on their behalf, or any successor issuer of Letters of Credit. For greater certainty, where the context requires, references to “Lenders” in these Provisions include the Issuing Bank.

“Loan” means any extension of credit by a Lender under this Agreement, including by way of bankers’ acceptance or LIBO Rate Loan, except for any Letter of Credit or participation in a Letter of Credit.

“Obligors” means, collectively, the Borrower and each of the guarantors of the Borrower’s obligations that are identified elsewhere in this Agreement.

“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 Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Participant” has the meaning assigned to such term in Section 10.4.

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

“Provisions” means these model credit agreement provisions.

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

“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.

2. Terms Generally

- 2.1. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein (including this Agreement) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and permitted assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) unless otherwise expressly stated, all references in these Provisions to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, these Provisions, but all such references elsewhere in this Agreement shall be construed to refer to this Agreement apart from these Provisions, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.
- 2.2. If there is any conflict or inconsistency between these Provisions and the other terms of this Agreement, the other terms of this Agreement shall govern to the extent necessary to resolve the conflict or inconsistency.

3. Yield Protection

3.1. Increased Costs

(a) Increased Costs Generally. If any Change in Law shall:

- (i) 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;
- (ii) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 3.2 and the imposition, or any change in the rate, of any Excluded Tax payable by such Lender; or
- (iii) impose on any Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank 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.

- (b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital 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 Loans made by, or the Letters of Credit issued or participated in by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of its holding company with respect to 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.

- (c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.
- (d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation, except that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than 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 therefore, 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.

3.2. Taxes

- (a) Payments Subject to Taxes. If any Obligor, the Administrative Agent, or any Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of an Obligor hereunder or under any other Loan Document, then (i) the sum payable shall be increased by that Obligor when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) the Administrative Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments been required, (ii) the Obligor shall make any such deductions required to be made by it under Applicable Law and (iii) the Obligor shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.
- (b) Payment of Other Taxes by the Borrower. Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.
- (c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including

Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Lender 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 a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

- (d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Obligor shall deliver to the Administrative 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 Administrative Agent.
- (e) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall, at the request of the Borrower, deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, (a) any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to withholding or information reporting requirements, and (b) any Lender that ceases to be, or to be deemed to be, resident in Canada for purposes of Part XIII of the *Income Tax Act* (Canada) or any successor provision thereto shall within five days thereof notify the Borrower and the Administrative Agent in writing.
- (f) Treatment of Certain Refunds and Tax Reductions. If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which an Obligor has paid additional amounts pursuant to this Section or that, because of the payment of such Taxes or Other Taxes, it has benefited from a reduction in Excluded Taxes otherwise

payable by it, it shall pay to the Borrower or Obligor, as applicable, an amount equal to such refund or reduction (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or Obligor under this Section with respect to the Taxes or Other Taxes giving rise to such refund or reduction), net of all out-of-pocket expenses of the Administrative Agent or such Lender, as the case may be, and without interest (other than any net after-Tax interest paid by the relevant Governmental Authority with respect to such refund). The Borrower or Obligor as applicable, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower or Obligor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender if the Administrative Agent or such Lender is required to repay such refund or reduction to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

3.3. Mitigation Obligations: Replacement of Lenders

- (a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.1, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.2, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.1 or 3.2, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.
- (b) Replacement of Lenders. If any Lender requests compensation under Section 3.1, if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.2, if any Lender's obligations are suspended pursuant to Section 3.4 or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon 10 days' notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions

contained in, and consents required by, Section 10), all of its interests, rights and obligations under this Agreement and the related other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

- (i) the Borrower pays the Administrative Agent the assignment fee specified in Section 10.2(f);
- (ii) the assigning Lender receives payment of an amount equal to the outstanding principal of its Loans and participations in disbursements under Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);
- (iii) in the case of any such assignment resulting from a claim for compensation under Section 3.1 or payments required to be made pursuant to Section 3.2, such assignment will result in a reduction in such compensation or payments thereafter; and
- (iv) such assignment does not conflict with Applicable Law.

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

3.4. Illegality

If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its Applicable Lending Office to make or maintain any Loan (or to maintain its obligation to make any Loan), or to participate in, issue or maintain any Letter of Credit (or to maintain its obligation to participate in or to issue any Letter of Credit), or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Administrative 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 Administrative Agent), prepay or, if conversion would avoid the activity that is unlawful, convert any Loans, or take any necessary steps with respect to any Letter of Credit in order to avoid the activity that is unlawful. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the

amount so prepaid or converted. Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

3.5. Inability to Determine Rates Etc.

If the Required Lenders determine that for any reason a market for bankers' acceptances does not exist at any time or the Lenders cannot for other reasons, after reasonable efforts, readily sell bankers' acceptances or perform their other obligations under this Agreement with respect to bankers' acceptances, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the Borrower's right to request the acceptance of bankers' acceptances shall be and remain suspended until the Required Lenders determine and the Agent notifies the Borrower and each Lender that the condition causing such determination no longer exists. If the Required Lenders determine that for any reason adequate and reasonable means do not exist for determining the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan, or that the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain LIBO Rate Loans shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a borrowing, conversion or continuation of LIBO Rate Loans or, failing that, will be deemed to have converted such request into a request for a borrowing of Base Rate Loans in the amount specified therein.

4. Right of Setoff

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

any Affiliate of a Lender exercises any rights under this Section 4, it shall share the benefit received in accordance with Section 5 as if the benefit had been received by the Lender of which it is an Affiliate.

5. Sharing of Payments by Lenders

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

- 5.1. if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest,
- 5.2. the provisions of this Section shall not be construed to apply to (x) any payment made by any Obligor pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in disbursements under Letters of Credit to any assignee or participant, other than to any Obligor or any Affiliate of an Obligor (as to which the provisions of this Section shall apply); and
- 5.3. the provisions of this Section shall not be construed to apply to (w) any payment made while no Event of Default has occurred and is continuing in respect of obligations of the Borrower to such Lender that do not arise under or in connection with the Loan Documents, (x) any payment made in respect of an obligation that is secured by a Permitted Lien or that is otherwise entitled to priority over the Borrower's obligations under or in connection with the Loan Documents, (y) any reduction arising from an amount owing to an Obligor upon the termination of derivatives entered into between the Obligor and such Lender, or (z) any payment to which such Lender is entitled as a result of any form of credit protection obtained by such Lender.

The Obligors consent to the foregoing and agree, to the extent they may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Obligor rights of setoff and counterclaim and similar rights of Lenders with respect to such participation as fully as if such Lender were a direct creditor of each Obligor in the amount of such participation.

6. Administrative Agent's Clawback

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

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

by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation.

7. Agency

7.1. Appointment and Authority. Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Person identified elsewhere in this Agreement as the Administrative Agent to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative 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 Administrative Agent, the Lenders and the Issuing Bank, and no Obligor shall have rights as a third party beneficiary of any of such provisions.

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

7.3. Exculpatory Provisions

- (a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:
 - (i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;
 - (ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents), but the

Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law; and

- (iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the person serving as the Administrative Agent or any of its Affiliates in any capacity.
- (b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as is necessary, or as the Administrative Agent believes in good faith is necessary, under the provisions of the Loan Documents) or (ii) in the absence of its own gross negligence or wilful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing the Default is given to the Administrative Agent by the Borrower or a Lender.
- (c) Except as otherwise expressly specified in this Agreement, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition specified in this Agreement, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

7.4. Reliance by Administrative Agent

The Administrative 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 Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be

fulfilled to the satisfaction of a Lender or the Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or the Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative 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.

7.5. Indemnification of Administrative Agent

Each Lender agrees to indemnify the Administrative Agent and hold it harmless (to the extent not reimbursed by the Borrower), rateably according to its Applicable Percentage (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 Administrative Agent in any way relating to or arising out of the Loan Documents or the transactions therein contemplated. However, no Lender shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from the Administrative Agent's gross negligence or wilful misconduct.

7.6. Delegation of Duties

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

7.7. Replacement of Administrative Agent

- (a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Bank and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a Lender having a Commitment to a revolving credit if one or more is established in this Agreement and having an office in Toronto, Ontario or Montréal, Québec, or an Affiliate of any such Lender with an office in Toronto or Montréal. The

Administrative Agent may also be removed at any time by the Required Lenders upon 30 days' notice to the Administrative Agent and the Borrower as long as the Required Lenders, in consultation with the Borrower, appoint and obtain the acceptance of a successor within such 30 days, which shall be a Lender having a Commitment to a revolving credit if one or more is established in this Agreement and having an office in Toronto or Montréal, or an Affiliate of any such Lender with an office in Toronto or Montréal.

- (b) If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications specified in Section 7.7(a), provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in the preceding paragraph.
- (c) Upon a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former Administrative Agent, and the former Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided in the preceding paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the termination of the service of the former Administrative Agent, the provisions of this Section 7 and of Section 9 shall continue in effect for the benefit of such former Administrative 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 Administrative Agent was acting as Administrative Agent.

7.8. Non-Reliance on Administrative Agent and Other Lenders

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

7.9. Collective Action of the Lenders

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

7.10. No Other Duties. etc.

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

8. Notices: Effectiveness; Electronic Communication

8.1. Notices Generally

Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 8.2 below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the addresses or telecopier numbers specified elsewhere in this Agreement or, if to a Lender, to it at its address or telecopier number specified in the Register or, if to an Obligor other than the Borrower, in care of the Borrower.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given on a business day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in Section 8.2 below, shall be effective as provided in said Section 8.2.

8.2. Electronic Communications

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

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

8.3. Change of Address, Etc.

Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

9. Expenses; Indemnity: Damage Waiver

9.1. Costs and Expenses

The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Lender or the Issuing Bank, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

9.2. Indemnification by the Borrower

The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnatee") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnatee, incurred by any Indemnatee or asserted against any Indemnatee by any third party or by any Obligor arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property

owned or operated by any Obligor, or any Environmental Liability related in any way to any Obligor, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by an Obligor and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Obligor against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Obligor has obtained a final and non-appealable judgment in its favour on such claim as determined by a court of competent jurisdiction, nor shall it be available in respect of matters specifically addressed in Sections 3.1, 3.2 and 9.1.

9.3. Reimbursement by Lenders

To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under Section 9.1 or 9.2 to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing Bank or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Issuing Bank or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the Issuing Bank in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or Issuing Bank in connection with such capacity. The obligations of the Lenders under this Section 10.3 are subject to the other provisions of this Agreement concerning several liability of the Lenders.

9.4. Waiver of Consequential Damages, Etc.

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

9.5. Payments

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

10. Successors and Assigns

10.1. Successors and Assigns Generally

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Obligor may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of Section 10.2, (ii) by way of participation in accordance with the provisions of Section 10.4, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.6 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 10.4 and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

10.2. Assignments by Lenders

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

- (a) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment being assigned (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to

such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, in the case of any assignment in respect of a revolving facility, or \$1,000,000, in the case of any assignment in respect of a term facility, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consent to a lower amount (each such consent not to be unreasonably withheld or delayed);

- (b) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (b) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate credits on a non-pro rata basis;
- (c) any assignment of a Commitment relating to a credit under which Letters of Credit may be issued must be approved by any Issuing Bank (such approval not to be unreasonably withheld or delayed) unless the Person that is the proposed assignee is itself already a Lender with a Commitment under that credit;
- (d) any assignment must be approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed) unless:
 - (i) in the case of an assignment of a Commitment relating to a revolving credit, the proposed assignee is itself already a Lender with the same type of Commitment,
 - (ii) no Event of Default has occurred and is continuing, and the assignment is of a Commitment relating to a non-revolving credit that is fully advanced, or
 - (iii) the proposed assignee is a bank whose senior, unsecured, non-credit enhanced, long term debt is rated at least A3, A- or A low by at least two of Moody's Investor Services Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Dominion Bond Rating Service Limited, respectively;
- (e) any assignment must be approved by the Borrower (such approval not to be unreasonably withheld or delayed) unless the proposed assignee is itself already a Lender with the same type of Commitment or a Default has occurred and is continuing; and
- (f) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in an amount specified elsewhere in this Agreement and the

Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 10.3, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement and the other Loan Documents, including any collateral security, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3 and 9, and shall continue to be liable for any breach of this Agreement by such Lender, with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.4. Any payment by an assignee to an assigning Lender in connection with an assignment or transfer shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

10.3. Register

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

10.4. Participations

Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person, an Obligor or any Affiliate of an Obligor) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for

the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any payment by a Participant to a Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

Subject to Section 10.5, the Borrower agrees that each Participant shall be entitled to the benefits of Section 3 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.2. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 4 as though it were a Lender, provided such Participant agrees to be subject to Section 5 as though it were a Lender.

10.5. Limitations upon Participant Rights

A Participant shall not be entitled to receive any greater payment under Sections 3.1 and 3.2 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.2 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.2(e) as though it were a Lender.

10.6. Certain Pledges

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

11. Governing Law: Jurisdiction: Etc.

11.1. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Province specified elsewhere in this Agreement and the laws of Canada applicable in that Province.

11.2. Submission to Jurisdiction

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

11.3. Waiver of Venue

Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 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.

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 LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

13. Counterparts: Integration: Effectiveness: Electronic Execution

13.1. Counterparts, Integration: Effectiveness

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

13.2. Electronic Execution of Assignments

The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act*, 2000 (Ontario) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act of the Uniform Law Conference of Canada* or its *Uniform Electronic Evidence Act*, as the case may be.

14. Treatment of Certain Information: Confidentiality

14.1. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed- (a) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, 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), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal

process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap, derivative, credit-linked note or similar transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent or any Lender on a non-confidential basis from a source other than an Obligor.

- 14.2. For purposes of this Section, **"Information"** means all information received in connection with this Agreement from any Obligor relating to any Obligor or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative 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.
- 14.3. In addition, and notwithstanding anything herein to the contrary, the Administrative Agent may provide the information described on Exhibit B concerning the Borrower and the credit facilities established herein to Loan Pricing Corporation and/or other recognized trade publishers of information for general circulation in the loan market.

ASSIGNMENT AND ASSUMPTION

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

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

1. Assignor: _____

2. Assignee: _____

[and is an Affiliate/Approved Fund of [identify Lender]]

3. Borrower(s): _____

4. Administrative Agent: _____, as the administrative agent under the Credit Agreement

5. Credit Agreement: [The [amount] Credit Agreement dated as of _____ among [name of Borrower(s)], the Lenders parties thereto, [name of Administrative Agent], as Administrative Agent, and the other agents parties thereto]

6. Assigned Interest:

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

[7. Trade Date: _____]

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

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

ASSIGNOR
[NAME OF ASSIGNOR]

By: _____
Title: _____

ASSIGNEE
[NAME OF ASSIGNEE]

By: _____
Title: _____

[Consented to and] Accepted:

[NAME OF ADMINISTRATIVE AGENT], as Administrative Agent

By _____

Title:

[Consented to:]

[NAME OF RELEVANT PARTY]

By _____

Title:

[_____]

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties

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

2. Payments

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

3. General Provisions

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

LOAN MARKET DATA TEMPLATE

Recommended Data Fields - At Close

The items highlighted in bold are those that Loan Pricing Corporation (LPC) deem essential. The remaining items are those that LPC has seen become more prominent over time as transparency has increased in the U.S. Loan Market.

<u>Company Level</u>	<u>Deal Specific</u>	<u>Facility Specific</u>
Issuer Name	Currency/Amount	Currency/Amount
Location	Date	Type
SIC (Cdn)	Purpose	Purpose
Identification Number(s)	Sponsor	Tenor
Revenue	Financial Covenants	Term Out Option
	Target Company	Expiration Date
Measurement of Risk*	Assignment Language	Facility Signing Date
S&P Sr. Debt	Law Firms	Pricing
S&P Issuer	MAC Clause	Base Rate(s)/Spread(s)/BA/LIBOR
Moody's Sr. Debt	Springing lien	Initial Pricing Level
Moody's Issuer	Cash Dominion	Pricing Grid (tied to, levels)
Fitch Sr. Debt	Mandatory Prepays	Grid Effective Date
Fitch Issuer	Restrc'd Payments (Neg	Fees
S&P Implied	Covs)	Participation Fee (tiered also)
(internal assessment)	Other Restrictions	Commitment Fee
DBRS		Annual Fee
Other Ratings		Utilization Fee
*Industry Classification		LC Fee(s)
Moody's Industry		BA Fee
S&P Industry		Prepayment Fee
Parent		Other Fees to Market
Financial Ratios		Security
		Secured/Unsecured
		Collateral and Seniority of Claim
		Collateral Value
		Guarantors
		Lenders Names/Titles
		Lender Commitment(s)

Committed/Uncommitted
Distribution method
Amortization Schedule
Borrowing Base/Advance Rates
New Money Amount
Country of Syndication
Facility Rating (Loss given default)
S&P Bank Loan
Moody's Bank Loan
Fitch Bank Loan
DBRS
Other Ratings

* These items would be considered useful to capture from an analytical perspective

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