

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

between

CORUS ENTERTAINMENT INC.

and

THE LENDERS LISTED HEREIN

and

TD SECURITIES
as Lead Arranger and Sole Bookrunner

and

THE TORONTO-DOMINION BANK
as Administration Agent

and

BANK OF MONTREAL
THE BANK OF NOVA SCOTIA
CANADIAN IMPERIAL BANK OF COMMERCE
and
ROYAL BANK OF CANADA
as Syndication Agents

February 3, 2014

THIS THIRD AMENDED AND RESTATED CREDIT AGREEMENT originally made as of September 1, 1999 (i) as amended by the First Amending Agreement dated as of September 18, 1999, the Second Amending Agreement dated as of September 25, 1999, the Third Amending Agreement dated as of January 29, 2001, the Fourth Amending Agreement dated as of August 31, 2001, and the Fifth Amending Agreement dated as of March 7, 2002, (ii) as amended and restated by the Amended and Restated Credit Agreement dated as of January 31, 2005, (iii) further amended and restated by the Amended and Restated Credit Agreement dated as of January 23, 2006, as further amended by the First Amendment dated as of June 13, 2006, and (iv) further amended and restated by the Second Amended and Restated Credit Agreement dated as of February 11, 2010, as further amended by the First Amending Agreement dated as of March 11, 2011, by the Second Amending Agreement dated as of March 5, 2012, and by the Third Amending Agreement dated as of February 27, 2013, (v) and as further amended and restated hereby as of February 3, 2014, and which is sometimes referred to herein and in the Credit Documents, for convenience, as the Third Amended and Restated Credit Agreement.

BETWEEN:

CORUS ENTERTAINMENT INC.
(the “**Borrower**”)

- and -

THE LENDERS from time to time party to this Agreement and designated as Lenders on the signatures pages hereto, together with such other lenders as become parties hereto pursuant to Section 14.2 hereof in their respective capacities as lenders (hereinafter sometimes individually referred to as a “**Lender**” and sometimes collectively referred to as the “**Lenders**”)

- and -

TD SECURITIES, in its capacity as lead arranger (hereinafter referred to as the “**Lead Arranger**”) and in its capacity as sole bookrunner (hereinafter referred to as the “**Bookrunner**”)

- and -

BANK OF MONTREAL, THE BANK OF NOVA SCOTIA, CANADIAN IMPERIAL BANK OF COMMERCE and ROYAL BANK OF CANADA in their respective capacities as syndication agents (hereinafter sometimes individually referred to as a “**Syndication Agent**”)

- and -

THE TORONTO-DOMINION BANK, in its capacity as administration agent (the “**Agent**”)

WHEREAS the parties hereto, among others, entered into a credit agreement dated as of September 1, 1999 (the “**Original Credit Agreement**”);

AND WHEREAS the parties to the Original Credit Agreement (i) amended the Original Credit Agreement by the First Amending Agreement dated as of September 18, 1999, the Second Amending Agreement dated as of September 25, 1999, the Third Amending Agreement dated as of January 29, 2001, the Fourth Amending Agreement dated as of August 31, 2001, and the Fifth Amending Agreement dated as of March 7, 2002, (ii) amended and restated the Original Credit Agreement by the Amended and Restated Credit Agreement dated as of January 31, 2005, (iii) further amended and restated the Amended and Restated Credit Agreement by the Amended and Restated Credit Agreement dated as of January 23, 2006, as further amended by the First Amendment dated as of June 13, 2006, and (iv) further amended and restated the Amended and Restated Credit Agreement by the Second Amended and Restated Credit Agreement dated as of February 11, 2010, as further amended by the First Amending Agreement dated as of March 11, 2011, by the Second Amending Agreement dated as of March 5, 2012, and by the Third Amending Agreement dated as of February 27, 2013 (the Original Credit Agreement as amended and amended and restated by the foregoing, the “**Existing Credit Agreement**”);

AND WHEREAS the parties to the Existing Credit Agreement have determined to further amend the Existing Credit Agreement;

AND WHEREAS the parties hereto wish to set out all of the amendments to the Original Credit Agreement made to the date hereof that remain applicable, together with the amendments to be made on the date hereof to, among other things, establish a two year \$150 million term loan facility, in a restated agreement;

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties to this Agreement hereby agree as follows:

ARTICLE 1

DEFINED TERMS

1.1 Defined Terms

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

“**1992 ISDA Master Agreement**” means the 1992 ISDA Master Agreement (Multi-Currency - Cross Border) as published by the International Swaps and Derivatives Association, Inc., as amended or replaced from time to time.

“**2002 ISDA Master Agreement**” means the 2002 ISDA Master Agreement as published by the International Swaps and Derivatives Association, Inc., as amended or replaced from time to time.

“**Acquisition**” means the acquisition by a Person, by purchase or otherwise, in whole or in part, of any Property (including by way of an acquisition of shares or other ownership interests), constituting all or part of a business from any Person.

“Acquisition/Disposition Accounting Information” means, in respect of (i) an Acquisition or (ii) a Disposition of a Person or operating assets comprising a business or division of a Person, relevant historical and background financial information with respect thereto, in sufficient detail to permit for the calculation of the Cash Flow and Interest Expense attributable to such Acquisition or Disposition, and, in addition, in respect of any such Acquisition or Disposition where the Cash Flow acquired represents 15% or more of the Cash Flow of the Borrower for the twelve months prior to such Acquisition or Disposition, the Acquisition/Disposition Accounting Information will be accompanied by a certificate to such effect provided by the Borrower.

“Additional Compensation” has the meaning set out in Section 13.1.1.

“Additional Requested Revolving Commitments” has the meaning set out in Section 2.3.1.

“Advance” means a borrowing by the Borrower by way of a Prime Rate Advance, a U.S. Base Rate Advance, a LIBOR Advance, acceptance of a Bankers’ Acceptance, a BA Equivalent Loan, or the issuance or renewal of a Letter of Credit, including deemed Advances and Rollovers of existing Advances, and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Prime Rate Advances, U.S. Base Rate Advances and LIBOR Advances, plus the face amount of all outstanding Bankers’ Acceptances and Notional Bankers’ Acceptances and the face amount of all outstanding Letters of Credit.

“Advance Notice” has the meaning set out in Section 6.3.

“Affected Lender” has the meaning set out in Section 6.15.2.

“Affected Loan” has the meaning set out in Section 13.3.

“Affiliate” has the meaning set out in the *Canada Business Corporations Act* as in effect on the date hereof.

“Agency Fee Agreement” means the agreement between the Borrower and the Agent dated as of September 1, 1999, as may be amended, supplemented, restated or replaced from time to time, concerning fees payable by the Borrower to the Agent in connection with the Credit Facilities.

“Agent” means The Toronto-Dominion Bank in its capacities as administration agent for the Lenders hereunder and as agent for Hedge Providers with respect to the Security, and includes any Successor Agent appointed pursuant to Section 12.11.

“Aggregate Mark to Market Exposure Amount” means, at any time, the sum of the Positive Mark to Market Amounts in respect of all outstanding Hedge Agreements between the Borrower or a Secured Subsidiary and all Hedge Providers.

“Aggregate Outstandings” has the meaning set out in Section 3.3.

“Agreement”, “hereof”, “herein”, “hereto”, “hereunder” or similar expressions mean this Agreement, its recitals and any Schedules hereto, as amended, supplemented, restated and replaced from time to time.

“Applicable Margin” means, with respect to any Advance under a Credit Facility, the percentage rate per annum in the case of Advances other than LIBOR Advances, or a rate for a period of 360 days in the case of LIBOR Advances for such Credit Facility, determined with reference to the Total Debt to Cash Flow Ratio at the applicable time in accordance with the table set out in Schedule A.

“Application” means an application for the issuance of a Letter of Credit in the standard form of the Issuing Lender or such other form as may be approved by the Issuing Lender.

“Assignment Agreement” means an agreement in the form of Schedule O to this Agreement.

“BA Discount Proceeds” means, in respect of any Bankers’ Acceptance, an amount calculated on the applicable Drawdown Date that is the result obtained by dividing (rounded to the nearest full cent, with one-half of one cent being rounded up) the face amount of such Bankers’ Acceptance by the sum of one plus the product of (i) the BA Discount Rate applicable thereto expressed as a decimal and (ii) a fraction, the numerator of which is the number of days from and including the date of acceptance of such Bankers’ Acceptance up to but excluding the maturity date thereof and the denominator of which is 365, which product will be rounded to the nearest multiple of 0.0001.

“BA Discount Rate” means (a) prior to a Marketing Election being made by the Borrower, either (i) with respect to any Bankers’ Acceptance accepted by a Schedule I BA Lender, CDOR on the applicable Drawdown Date, and (ii) with respect to any Bankers’ Acceptance accepted by a Non-Schedule I BA Lender or with respect to Notional Bankers’ Acceptances, the rate determined pursuant to (i) above plus 0.1% per annum; or (b) from and after a Marketing Election by the Borrower, (i) for each BA Lender the discount rate at which the Borrower sells the Bankers’ Acceptances of such BA Lender on the applicable Drawdown Date, and (ii) for Notional Bankers’ Acceptances, the BA Discount Rate determined by the Agent in the manner set forth in (a)(ii) above.

“BA Equivalent Loan” has the meaning set out in Section 6.7.2.

“BA Lender” means any Lender that is a bank chartered under the *Bank Act* (Canada) and that has not notified the Agent in writing that it is unwilling or unable to accept Bankers’ Acceptances as provided for herein.

“BA Rate” means the applicable percentage rate per annum indicated below the reference to “BA Rate” in the table set out in Schedule A.

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

“Bankers’ Acceptance Fee” means the amount calculated by multiplying the face amount of a Bankers’ Acceptance or Notional Bankers’ Acceptance by the BA Rate (expressed as a decimal to the nearest multiple of 0.0001), and then multiplying the result by a fraction, the numerator of

which is the number of days from and including the date of acceptance of such Bankers' Acceptance by the Lender up to but excluding the maturity date of such Bankers' Acceptance, and the denominator of which is the number of days in the calendar year in question.

"Basel III" means the guidelines in respect of capital requirements, leverage ratios and liquidity standards and other standards published by the Basel Committee on Banking Supervision from time to time, as amended, supplemented or restated from time to time, including, without limitation, those contained in "Basel III: A global regulatory framework for more resilient banks and banking system", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer", each as amended, supplemented or restated from time to time.

"Borrower" means Corus Entertainment Inc., a corporation incorporated under the *Canada Business Corporations Act*.

"Borrower's Counsel" means Dentons Canada LLP or any other firm of solicitors, selected by the Borrower, licensed to practice law in Canada and acceptable to the Agent, acting reasonably.

"Branch of Account" means the International Centre of the Agent at 66 Wellington Street West, Toronto, Ontario M5K 1A2, or such other branch of the Agent as the Agent may from time to time designate by notice in writing to the Borrower.

"Business Day" means a day of the year, other than Saturday or Sunday, on which the Agent is open for business at its executive offices in Toronto, Ontario, at the Branch of Account, and in respect of U.S. Dollar denominated Advances, at its principal office in New York, New York, and, in respect of LIBOR Advances, at its principal office in London, England.

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

"Capital Expenditure" means, at any time, any expenditure made by any Person for the purchase, acquisition, development, redevelopment, expansion, repair and/or replacement of capital assets (other than current assets), including any capital expenditure related to a capital lease as determined under GAAP.

"Cash Equivalents" means (i) securities issued or fully guaranteed by the governments of Canada or the United States or any agency or instrumentality thereof, (ii) securities issued or fully guaranteed by any province or territory of Canada or by any state of the United States or the District of Columbia, and (iii) term deposits, certificates of deposit or bankers' acceptances of any Lender, or any bank that is not a Lender but is referred to in either Schedule I, II or III of the *Bank Act* (Canada) the short-term debt or deposits of which have been rated at least A-1 or the equivalent thereof by Standard & Poor's Financial Service LLC or at least P1 or the equivalent thereof by Moody's Investors Service, Inc. or which have been rated at least R1 (mid) or the equivalent thereof by DBRS Limited, in each case provided for in clauses (i), (ii) and (iii) above, maturing within 365 days after the date of acquisition.

"Cash Flow" means, for any period (in this definition, the **"Applicable Period"**), in respect of any Person, (in this definition, the **"Subject Entity"**) determined on an unconsolidated basis (other than in respect of the Borrower for which the calculation thereof shall be determined,

unless otherwise indicated herein, on a consolidated basis), without duplication, the aggregate of Net Income of such Subject Entity for the Applicable Period, plus, (a) cash Distributions received by the Subject Entity from a Person if the Subject Entity's interest in the Person is accounted for by the equity method of accounting; and (b) to the extent deducted in calculating such Net Income:

- (i) Interest Expense,
- (ii) depreciation,
- (iii) amortization (other than amortization of Programming and broadcast rights),
- (iv) stock-based compensation expense relating to stock options or similar non-cash expenses,
- (v) income taxes (whether or not deferred), and any unusual or non-recurring items (including but not limited to loss on sale of investments, restructuring charges, realized or unrealized Hedge Transaction losses, asset write-downs, goodwill and intangible impairment loss, foreign exchange losses and losses on the repurchase or redemption of any securities),
- (vi) the net loss of a Person if the Subject Entity accounts for its interest in such Person by the equity method of accounting;

and less, to the extent included in calculating such Net Income:

- (vii) income tax recovery (whether or not deferred), and any unusual or other non-recurring items (including but not limited to gain on sale of investments, realized or unrealized Hedge Transaction gains, asset write-ups, foreign exchange gains and gains on the repurchase or redemption of any securities), and
- (viii) the earnings of a Person if the Subject Entity accounts for its interest in such Person by the equity method of accounting,

and for purposes of this definition and the determination of Cash Flow attributable to a Subsidiary of the Borrower, means, for any period, the portion of the Net Income determined in accordance with GAAP of such Subsidiary, for such period (adjusted in the same manner as Net Income is adjusted as aforesaid in this definition);

and provided that in determining the amount of Cash Flow of the Borrower for the purposes hereof, (i) Cash Flow attributable to Excluded Subsidiaries will not be included and (ii) the aggregate of Cash Flow attributable to Persons other than the Borrower (on an unconsolidated basis) and the Secured Subsidiaries for the four fiscal quarters immediately preceding the time of determination, after inclusion in Cash Flow of the

Borrower, cannot exceed 25% of Cash Flow of the Borrower for the same four fiscal quarters;

and provided further, that for purposes of this definition, where (i) an Acquisition or (ii) a disposition of a Person or operating assets comprising a business or division of a Person, is made at any time during the Applicable Period, as the case may be, the financial results (based upon the Acquisition/Disposition Accounting Information provided pursuant to Section 8.1.15) of such Person or operating assets comprising a business or division shall be included or excluded, as applicable, in the calculation of Net Income as if such Acquisition or disposition had occurred on the first day of the Applicable Period for the purposes of calculating Net Income for such period.

“Cash Flow to Interest Expense Ratio” means the ratio calculated by dividing (a) Cash Flow of the Borrower for the four immediately preceding completed fiscal quarters, by (b) Interest Expense of the Borrower for the four immediately preceding completed fiscal quarters.

“CDOR” means, for any day and relative to Bankers’ Acceptances or Notional Bankers’ Acceptances, the stated average of the annual rates that appears on the Reuters Screen CDOR page with respect to banks named in Schedule I to the *Bank Act* (Canada) as of at 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, as of 10:00 a.m. on the next preceding Business Day) for bankers acceptances issued on that day for a term equal or comparable to the term of such Bankers’ Acceptances or Notional Bankers’ Acceptances, provided that if such rate does not appear on such Reuters Screen CDOR page at such time on such day, CDOR for such day will be the annual discount rate (rounded upward to the nearest whole multiple of 1/100,000 of 1% with 5/1,000,000 of 1% being rounded up) as of 10:00 a.m. on such day at which the Agent is then offering to purchase bankers’ acceptances accepted by it having a comparable aggregate face amount and identical maturity date to the aggregate face amount and a term equal or comparable to the term of such Bankers’ Acceptances or Notional Bankers’ Acceptances, as the case may be.

“Commitment” means, in respect of each Lender from time to time, the maximum amount of Advances which the Lender has covenanted to make available to the Borrower, as set out on Schedule B to this Agreement (which shall be amended and distributed to all parties by the Agent from time to time as other Persons become Lenders), or the commitments of current or future Lenders are hereafter assigned, modified, cancelled, reduced, increased or otherwise changed pursuant to the terms of this Agreement.

“Compliance Certificate” means the certificate required pursuant to Section 8.3.3, a form of which is attached hereto as Schedule C.

“Computer Equipment” means all computers, Software or other equipment that includes computing technology or embedded logic such as microchips and sensors whether owned or leased that is used to process date/time data.

“Constating Documents” means, with respect to a corporation, its articles of incorporation, amalgamation or continuance or other similar document and its by-laws, all as amended from

time to time and, with respect to any partnership means the partnership agreement applicable thereto.

“**Contaminant**” has the meaning ascribed thereto in the *Environmental Protection Act* (Ontario) or comparable legislation in other applicable provinces from time to time.

“**Contracts**” means agreements, franchises, leases, easements, servitudes, privileges and other rights (other than Permits) acquired from Persons, as the same may be amended, supplemented, restated or replaced from time to time and when used in relation to a Person, such term shall mean and refer to the Contracts to which such Person is a party or by which it is bound or may hereafter become a party or be bound and “**Contract**” means any one thereof.

“**Contributing Lender**” has the meaning set out in Section 12.3.2.

“**Control**” in respect of a corporation has the meaning given thereto in the *Canada Business Corporations Act* and in respect of any other Person means ownership of voting interests in such Person which are sufficient, if exercised, to determine the management or strategic direction of such Person and “**Controlled**” and “**Controlling**” have corresponding meanings.

“**Conversion**” means a conversion of an Advance pursuant to Sections 6.17.1(e) and 6.17.2.

“**Core Business**” means the broadcast media business, including, without limitation, the business of television and radio broadcasting, pay television, specialty services, production, distribution and Programming products and services, internet services, digital audio services, media advertising and pay-per-view and any ancillary businesses relating to any of the foregoing (including merchandising).

“**Credit Documents**” means this Agreement, the Security, any Interlender Agreements, any Hedge Agreements and any ISDA Master Agreements governing such Hedge Agreements, and all certificates and other documents delivered or to be delivered to the Agent or the Lenders pursuant hereto or thereto and including any documents in relation to cash management products or arrangements provided by any Lender to a Restricted Party and, when used in relation to any Person, the term “**Credit Documents**” shall mean and refer to the Credit Documents to which such Person is a party or by which it is bound from time to time and “**Credit Document**” means any one thereof.

“**Credit Excess Amount**” has the meaning set out in Section 3.3.

“**Credit Facilities**” means, collectively, the Revolving Facility and the Term Loan Facility and “**Credit Facility**” means any one of them.

“**Credit Party**” means a Lender, the Agent, a Syndication Agent, the Lead Arranger or the Bookrunner.

“**CRTC**” means the Canadian Radio-television and Telecommunications Commission, or a successor regulatory body or agency.

“CRTC Approval” means the approval under the *Broadcasting Act* (Canada) by the CRTC of a particular transaction or series of transactions.

“CRTC Licences” means those licences listed together with their respective expiry dates in Schedule E, together with any licence, permit or other authorization hereafter granted by the CRTC to a Restricted Party.

“Debt” means, with respect to any Person, without duplication and, except as provided in paragraph (b) below, without regard to any interest component thereof (whether actual or imputed) that is not due and payable, the following amounts:

- (a) money borrowed (including, without limitation, by way of overdraft) or indebtedness represented by notes payable and drafts accepted representing extensions of credit and including, for clarity, money borrowed pursuant to Advances made under this Agreement;
- (b) the face amount of instruments similar to Bankers’ Acceptances or Notional Bankers’ Acceptances, that do not relate to the Credit Facilities;
- (c) reimbursement obligations with respect to other letters of credit not related to the Credit Facilities and with respect to letters of guarantee and surety bonds;
- (d) all obligations (whether or not with respect to the borrowing of money) that are evidenced by bonds, debentures, notes or other similar instruments, whether or not any such instruments are convertible into capital (except as provided below), or that are not so evidenced but that would be considered by GAAP to be indebtedness for borrowed money;
- (e) all obligations upon which interest charges are customarily paid by that Person (including, without limitation, purchase money obligations);
- (f) all liabilities and obligations in respect of Hedge Transactions;
- (g) principal obligations as lessee under capital leases as determined in accordance with GAAP;
- (h) Financial Assistance;
- (i) debt secured by Purchase Money Security Interests;
- (j) obligations under conditional sales agreements or other title retention documents producing the same result as a conditional sales agreement; and
- (k) capital stock or obligations of a Person pursuant to which such Person may be required to retract, redeem, repurchase or cancel such capital stock for cash or property (other than capital stock which cannot be converted into cash or property), or such capital stock as may be convertible into or exercisable for any

other shares that the Person may be required to so redeem, repurchase, retract or cancel;

but excluding for greater certainty:

- (l) capital stock, whether or not preferred, that is not referred to in paragraph (k) above;
- (m) obligations where a Person has the right, exercisable at its option and subject only to Permitted Conditions, to convert such obligation into capital stock of the Person or to satisfy any retraction or redemption obligations in respect thereof by the issuance of capital stock (other than for clarity the capital stock and obligations referred to in item (k) above);
- (n) trade payables and accrued liabilities incurred in the ordinary course of business;
- (o) unearned revenue;
- (p) current and deferred taxes; and
- (q) the stated amount of any letter of credit (including a Letter of Credit) or guarantee to the extent that the obligation in respect of which it has been issued is included in one of items (a) through (k) above.

The amounts listed in items (a) through (k) above shall be calculated in accordance with GAAP.

“Defaulting Lender” has the meaning set out in Section 12.3.2.

“Deposited Amounts” has the meaning set out in Section 3.3.

“Designated Account” means, in respect of any Advance, the account or accounts maintained by the Borrower at a branch in Toronto of TD that the Borrower designates in its notice requesting an Advance.

“Diligently Proceeding” means with respect to a transaction, diligently proceeding to close such transaction; provided that no Person shall be deemed to be Diligently Proceeding if (i) an application for CRTC Approval, if required, has not been submitted within three months following the entering into of the written agreement related to such transaction or the denial of the first application to the CRTC; (ii) CRTC Approval of the transaction, if required, has been denied for a second time; (iii) the closing of such transaction (where such transaction requires CRTC Approval or other regulatory consents) has not occurred within eighteen months of the date of such original written agreement, or (iv) any condition to the transaction not otherwise specified above cannot in the opinion of the Agent (on behalf of the Majority Lenders), and advised to the Borrower in writing, reasonably be expected to be satisfied within a reasonable period of time.

“Disposition” has the meaning set out in Section 8.4.4.

“Distribution” means:

- (a) the declaration or setting aside for payment of dividends by a Person on any of its issued shares;
- (b) the payment of royalties or fees of any kind or the making of any other distribution by a Person whether in cash or Property to any holder of shares of any class of the capital stock;
- (c) the purchase, redemption or other retirement or cancellation by a Person of any of its issued shares or of any options, warrants or others' rights to acquire any of such shares; or
- (d) the payment of any management fee or bonus to any Person;

but does not include:

- (e) salaries or bonuses paid to employees or independent contractors in the normal course of business;
- (f) the payment of any management fee or bonus in the normal course of business; or
- (g) the payment of fees to Shaw or its Affiliates for services or for the use or occupation of office space or other real property, in each case in the ordinary course of business and on terms that, in the aggregate, are not materially more favourable to Shaw or its Affiliates than are offered by them to other unrelated third parties or which are otherwise commercially reasonable.

“Documentation” means all systems, user, technical or other documentation or information (including any input or output formats, program listings, narrative descriptions, operating instructions or manuals, specifications, user guides and systems, user or technical manuals) that have been, are or may be provided in connection with Software and includes any corrections, replacements, modifications or releases thereof or thereto, whether distributed in print, magnetic, electronic, video or other format.

“Drawdown Date” means the date, which shall be a Business Day, of any Advance.

“Effective Date” means the date on which the conditions set forth in Section 5.1 are satisfied.

“Encumbrance” means, in respect of any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, consignment, lease, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of its Property, or any consignment or capital lease of property by such Person as consignee or lessee or other security agreement, trust or arrangement having in each case the effect of security for the payment of any Debt and **“Encumbrances”**, **“Encumbrancer”**, **“Encumber”** and **“Encumbered”** shall have corresponding meanings.

“Equivalent Amount” means, on any date, the equivalent amount in Cdn. Dollars or U.S. Dollars, as the case may be, after giving effect to a conversion of a specified amount of U.S. Dollars to Cdn. Dollars or Cdn. Dollars to U.S. Dollars, as the case may be, at the Exchange Rate.

“Event of Default” has the meaning set out in Section 10.1.

“Exchange Rate” means, on any day, with respect to the exchange of either of Cdn. Dollars or U.S. Dollars (the **“First Currency”**) into the other of those currencies (the **“Other Currency”**), the noon spot rate of the Bank of Canada on that day for purchases of the First Currency with the Other Currency, or if such rate is not or has not yet been quoted on such day, the last preceding noon spot rate of the Bank of Canada.

“Excluded Subsidiary” means each of the Subsidiaries of the Borrower listed in Schedule Q as Excluded Subsidiaries and their respective successors, provided that the Borrower may, from time to time, at its option, designate any additional Subsidiary of the Borrower (that is not a Secured Subsidiary) to be an Excluded Subsidiary by designating it as such in a certificate delivered by the Borrower under Section 8.3.4, so long as, (a) immediately after such designation and after giving effect thereto, no Pending Event of Default or Event of Default exists, and (b) the Subsidiary to be so designated does not have an ownership interest in any Secured Subsidiary or Material Entity.

“Excluded Taxes” means, with respect to any Credit Party, (a) taxes imposed on or measured by its net income or capital (or franchise taxes imposed on it in lieu of net income taxes), by the Governmental Authority in the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or any other jurisdiction as a result of such recipient engaging in a trade or business in such jurisdiction for tax purposes (other than solely from entering into, performing its obligations under or exercising its rights under, the Credit Documents), and (b) any branch profits taxes or any similar tax imposed by any jurisdiction in which the Lender is located.

“Existing Credit Agreement” has the meaning set out in the recitals hereto.

“Existing Secured Subsidiaries” means the Persons described in Schedule Q and identified as “Existing Secured Subsidiaries”.

“Family Group” means JR Shaw, his spouse and issue (whether natural-born or legally adopted) and spouses thereof and their issue (whether natural-born or legally adopted) and corporations owned or Controlled by any one or more of the foregoing or trusts of which any one or more of the foregoing are the principal beneficiaries.

“Federal Funds Effective Rate” means for any day, a fluctuating interest rate expressed as a percentage rate per annum equal, for each day during such period, to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers as published for such day (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York or, for any day on which that rate is not published for that day by the Federal Reserve Bank of New York, the

simple average of the quotations for that day for such transactions received by the Agent from three federal funds brokers of recognized standing selected by it.

“Financial Assistance” means, without duplication and with respect to any Person, all loans granted by that Person and guarantees or contingent obligations incurred by that Person, in each case, for the purpose of or having the effect of providing financial assistance to another Person or Persons in respect of the Debt of such Person or Persons, including, without limitation, letters of guarantee, letters of credit, legally binding comfort letters or indemnities issued in connection therewith, endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business) and obligations to purchase assets regardless of the delivery or non-delivery thereof, provided that “Financial Assistance” shall not include any guarantee of any lease obligations of Subsidiaries of the Borrower to landlords.

“Fiscal Year” means a fiscal year of the Borrower that ends on August 31 in each year.

“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 Credit 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.

“Free Cash Flow” means, for any period, in respect of any Person, Cash Flow, less:

- (i) cash Interest Expense;
- (ii) cash income taxes (whether or not deferred);
- (iii) Capital Expenditures;
- (iv) scheduled repayments of any Debt; and
- (v) investments in Programming and broadcast rights (net of amortization of Programming and broadcast rights);

provided that, in determining the amount of Cash Flow of the Borrower for the purposes hereof, Cash Flow shall be calculated without reference to the second proviso in the definition thereof, being the proviso referring to adjustments in connection with Acquisitions and dispositions.

“GAAP” means the generally accepted accounting principles which are in effect from time to time approved by the Canadian Institute of Chartered Accountants or any successor institute as applicable.

“Governmental Authority” means the government of any nation, province, municipality, state or other political subdivision of any nation, any entity exercising executive, legislative, judicial,

regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or Controlled by any of the foregoing.

“Hazardous Materials” means any substance or material that is prohibited, controlled or regulated by any Requirements of Environmental Law, including, but not limited to, any Contaminants, pollutants, petroleum or other hydrocarbons and their derivatives and by-products, dangerous substances or goods, including asbestos, liquid waste, special waste, toxic substances, hazardous or toxic chemicals, hazardous waste, hazardous materials or hazardous materials or hazardous substances either a fact or as defined in or pursuant to any Requirements of Environmental Laws.

“Hedge Agreement” means a Hedge Transaction entered into between the Borrower or one of the Secured Subsidiaries and a Hedge Provider.

“Hedge Obligations” means obligations of the Borrower or a Secured Subsidiary to a Hedge Provider in respect of any Hedge Agreement.

“Hedge Provider” means a Lender or former Lender, or an Affiliate of such Lender or former Lender, with whom the Borrower or a Secured Subsidiary has entered into a Hedge Agreement.

“Hedge Transaction” means an agreement for the hedging of currency risk, equity based compensation or interest payable at a floating or fixed rate, whether in the form of, a forward contract, swap, option, cap, collar or otherwise and whether documented under the terms of an ISDA Master Agreement or otherwise.

“Increased Revolving Facility Request” has the meaning set out in Section 2.3.1.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Indemnitees” has the meaning set out in Section 11.2.

“Information” has the meaning set out in Section 15.1.2.

“Interbank Reference Rate” means the interest rate expressed as a percentage per annum which is customarily used by the Agent when calculating interest due by it or owing to it arising from correction of errors between it and other Canadian chartered banks.

“Interest Expense” means, in respect of any Person, determined on an unconsolidated basis (other than in respect of the Borrower for which the calculation thereof shall be determined on a consolidated basis) in each case in accordance with GAAP, without duplication, and for a particular period, interest expense paid or accrued, including, without limitation, the interest component of capital lease obligations, plus all fees paid or accrued in connection with Debt (excluding for greater certainty, any upfront fees or legal fees incurred in respect thereof); and for the purposes of this definition, where an Acquisition is made or a Person or operating assets comprising a business or division is disposed of at any time during such period, the Interest Expense attributable to such Acquisition or to such Person or operating assets comprising a business or division during such period (based upon the Acquisition/Disposition Accounting Information provided pursuant to Section 8.1.15), shall be included or excluded, as applicable, in

the calculation of Interest Expense as if such Acquisition or disposition had occurred on the first day of such period for the purposes of calculating Interest Expense for such period.

“Interest Payment Date” means, with respect to Prime Rate Advances and U.S. Base Rate Advances, the third Business Day of the next calendar month.

“Interlender Agreement” means any agreement between the Agent and the Lenders and one or more other Persons to which the Borrower owes or intends to incur Permitted Secured Pari Passu Debt, the principal provisions of which, if applicable, will deal with the respective rights of the Lenders and such other creditors to enforce the Encumbrances for such Debt, and which agreement shall be in form and substance satisfactory to the Agent, acting reasonably.

“Investment” means any direct or indirect (a) loan or other extension of credit (whether by way of Financial Assistance or otherwise) or capital contribution (including a transfer of Property) to any Person, (b) acquisition of any shares, partnership interests, participation interests in any arrangement, options or warrants or any indebtedness whether or not evidenced by any bonds, notes, debentures or other securities of, any Person; (c) any Acquisition; and (d) the making of any Capital Expenditure; and **“Invested”** shall be construed accordingly.

“ISDA Master Agreement” means either a 1992 ISDA Master Agreement or a 2002 ISDA Master Agreement, as applicable.

“Issuing Lender” means TD in its capacity as such.

“Judgment Conversion Date” has the meaning set out in Section 15.7.1.

“Judgment Currency” has the meaning set out in Section 15.7.1.

“LC Fee Rate” means the applicable percentage rate per annum indicated below the reference to “LC Fee Rate” in the table set out in Schedule A.

“LC Limit” means Cdn. \$50,000,000 or the Equivalent Amount in U.S. Dollars.

“Lenders” means the several banks and other financial institutions from time to time parties to this Agreement and includes the Swingline Lender and the Issuing Lender, and **“Lender”** means any one of the Lenders.

“Lenders’ Counsel” means McCarthy Tétrault LLP or any other firm of solicitors licensed to practice law in Canada chosen, from time to time, by the Lenders, acting reasonably.

“Lending Office” means, with respect to a particular Lender, the branch or office specified in Schedule B from which such Lender makes Advances and to which the Agent disburses payments received for the benefit of such Lender.

“Letter of Credit” means each letter of credit issued by the Issuing Lender pursuant to Section 6.18.

“Letter of Credit Fee” means a fee payable on the third Business Day after the end of each fiscal quarter of the Borrower commencing with the first fiscal quarter ending after the date hereof calculated by multiplying the LC Fee Rate by the average face amount of Letters of Credit outstanding on a daily basis over the preceding fiscal quarter, and multiplying the resulting product by a fraction the numerator of which is the number of days in such fiscal quarter and the denominator of which is 365 or 366 days, as applicable; provided that in no event shall such fee be less than \$100 per Letter of Credit per annum in respect of any year during which Letters of Credit are outstanding hereunder.

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

- (a) the rate for deposits (rounded to the nearest 1/100 of 1% per annum) in U.S. Dollars in the London England inter-bank market for a comparable period comparable to such LIBOR Period which appears on the Reuters LIBOR01 screen (or such other page as the Agent shall nominate which replaces that page for the purpose of displaying offered rates of leading banks for London inter-bank deposits in U.S. Dollars for a period comparable to such LIBOR Period) as of 11:00 a.m. London, England time on the second Business Day preceding the first day of such LIBOR Period and for value on the first day of such LIBOR Period; or
- (b) if a rate is not determinable pursuant to clause (a) of this definition at the relevant time, as determined by the Agent, such rate, as determined by the Agent to be the rate at which deposits in U.S. Dollars are offered by the principal lending office in London, England of TD to prime banks in the London inter-bank market at approximately 11:00 a.m. London, England time on the second Business Day preceding the first day of such LIBOR Period for a period comparable to such LIBOR Period and in an amount comparable to the amount of the LIBOR Advance to be outstanding during such LIBOR Period; or
- (c) if the rate is not determinable pursuant to clause (a) or (b) of this definition at the relevant time in respect of the relevant period, Section 6.17.2 shall apply.

“LIBOR Advance” means an advance in U.S. Dollars bearing interest based on the LIBO Rate.

“LIBOR Period” means the period selected by the Borrower for a LIBOR Advance or the period applicable to the LIBOR Advance under the terms of this Agreement which in either case shall be 1, 2, 3 or 6 months.

“Majority Lenders” means Lenders holding, in the aggregate a minimum of 50.1% of the Commitments; provided that, as regards any amendment or waiver pertaining to the Security or the Encumbrances granted pursuant to the Security that is not expressly permitted in this Agreement:

- (a) prior to an Event of Default, “Majority Lenders” means (i) Lenders in relation to the Credit Facilities, and (ii) Hedge Providers which are counterparties to Hedge Agreements, where the aggregate amount of, as applicable, (1) their

Commitments, and (2) the aggregate of all the Positive Mark to Market Amounts in respect of such Hedge Providers that are former Lenders or their Affiliates at the time of determination, represent 50.1% or more of the aggregate amount of (A) all Commitments, and (B) the Aggregate Mark to Market Exposure Amounts of all Hedge Providers that are former Lenders or their Affiliates at the date of determination (which, in respect of a waiver or amendment requested hereunder, shall be the date on which the Agent makes a request of the Lenders for such waiver or amendment); and

- (b) during the continuance of an Event of Default, “Majority Lenders” means (i) Lenders in relation to the Credit Facilities, and (ii) Hedge Providers which are counterparties to Hedge Agreements, where the aggregate amount of, as applicable, (1) their Commitments, and (2) the aggregate of all Positive Mark to Market Amount in respect of all Hedge Providers at the time of determination represent 50.1% or more of the aggregate amount of (A) all Commitments at the time of determination, and (B) the Aggregate Mark to Market Exposure Amount at the date of determination (which, in respect of a waiver or amendment requested hereunder, shall be the date on which the Agent makes a request of the Lenders for such waiver or amendment).

“**Mark to Market Amount**” means, with respect to all Hedge Agreements between the Borrower or a Secured Subsidiary as the case may be and a particular Hedge Provider, on any day on which the Mark to Market Amount is calculated, the amount expressed in Canadian Dollars, if any, that would be payable by the Borrower or a Secured Subsidiary as the case may be, to such Hedge Provider (expressed as a positive number, a “**Positive Mark to Market Amount**”) or by such Hedge Provider to the Borrower or a Secured Subsidiary as the case may be (expressed as a negative number, a “**Negative Mark to Market Amount**”), estimated by making the calculations required by Section 6(e)(ii)(2)(A) of the 1992 ISDA Master Agreement or Section 6(e)(ii)(2) of the ISDA 2002 Master Agreement, as applicable, as if all such Hedge Agreements were being terminated as a result of a Termination Event (as defined in the ISDA Master Agreement) with two Affected Parties (as defined in the applicable ISDA Master Agreement) on that day of calculation.

“**Mark to Market Exposure Amount Election**” has the meaning set out in Section 8.1.12.

“**Market Disruption Event**” has the meaning set out in Section 6.15.1.

“**Market Disruption Prime Rate**” means, on any day, the interest rate expressed as a percentage rate per annum calculated on the basis of a 365 or 366 day year, as the case may be, equal to such rate calculated by the Agent to be the arithmetic mean (rounded upwards, if necessary to the nearest whole multiple of 1/100 of one percent per annum) of the rates per annum announced by the Schedule I Reference Lenders on that day as their reference rates of interest for the determination of the interest rates that they will charge to customers of varying degrees of creditworthiness in Canada for Canadian Dollar commercial loans made by them in Toronto, Ontario and referred to by them as their Canadian prime rate.

“**Marketing Election**” has the meaning set out in Section 6.7.4.

“Material Adverse Change” means any change having a material adverse effect on (a) the business, assets, liabilities, operations, results of operations or condition (financial or otherwise) of the Restricted Parties, taken as a whole, or (b) the ability of the Restricted Parties, taken as a whole, to carry on a significant part of their business, that would, in the case of (a) reasonably be expected to result in, or has resulted in (i) a material impairment of the ability of the Borrower to perform its obligations under the Credit Documents, (ii) a material impairment of the ability of the Secured Subsidiaries and the Required Pledgors, taken as a whole, to perform their obligations under the Credit Documents, or (iii) a material impairment of the legal effectiveness of any lien or guarantee granted by the Borrower, a Secured Subsidiary or Required Pledgor to the Agent, in each case as determined by the Majority Lenders, acting reasonably.

“Material Contracts” means, with respect to any Person, all Contracts, the breach or default of which would result in a Material Adverse Change, all such Material Contracts of the Restricted Parties as of the date hereof, if any, being listed on Schedule M, all as may be amended, supplemented, restated or replaced from time to time; and, when used in relation to any Person, the term **“Material Contracts”** shall mean and refer to Material Contracts to which such Person is a party or by which it is bound or may hereafter become a party or be bound and **“Material Contract”** means any one thereof.

“Material Entity” means any Person (other than Secured Subsidiaries and Excluded Subsidiaries) in which the Borrower, directly or indirectly, (i) holds ownership interests of 50% or greater or over which the Borrower exerts “significant influence” as determined by GAAP and (ii) which contributed \$2,500,000 or more to the Cash Flow of the Borrower in respect of the four most recently completed fiscal quarters of the Borrower, such Material Entities being identified in Schedule Q as of the date set forth on such schedule.

“Negative Mark to Market Amount” has the meaning set out in the definition of “Mark to Market Amount”.

“Net Income” means the net income of any Person, determined on an unconsolidated basis (other than in respect of the Borrower for which the calculation thereof shall be determined on a consolidated basis) for a particular period and in the case of the Borrower as shown on the financial statements (or as otherwise disclosed from time to time by the Borrower) delivered pursuant to Sections 8.3.1 and 8.3.2.

“New Lender” means, at any time, for the purposes of Section 2.3, any commercial bank, finance company, or other financial institution (not then a party to this Agreement) that is acceptable to the Borrower, the Agent, the Issuing Lender and the Swingline Lender hereunder, acting reasonably, and which would become a Lender hereunder by providing an Additional Requested Revolving Commitment.

“Non-BA Lender” means a Lender that is not permitted by applicable law or by customary market practices to stamp, for purposes of subsequent sale, or accept, a Bankers’ Acceptance or which does not wish to stamp or accept Bankers’ Acceptances from time to time.

“Non-Consenting Lender” has the meaning set out in Section 14.4.

“Non-Disturbance Agreement” has the meaning set out in the definition of “Permitted Licensing Disposition”.

“Non-Schedule I BA Lender” means any BA Lender that is a bank chartered under and referred to in Schedule II or Schedule III of the *Bank Act* (Canada).

“Notional Bankers’ Acceptances” has the meaning set out in Section 6.7.2.

“Obligations” means all obligations of the Borrower, Secured Subsidiaries and Required Pledgors to the Lenders, Hedge Providers, the Lead Arranger, the Bookrunner, the Agent, the Syndication Agents, or any of them, under or in connection with this Agreement and the other Credit Documents (including, for clarity, Hedge Obligations that have been assigned to and assumed by the Restricted Parties), including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower, the Secured Subsidiaries and the Required Pledgors to the Lenders, Hedge Providers and the Agent, or any of them in any currency or remaining unpaid by the Borrower, the Secured Subsidiaries and the Required Pledgors to the Lenders, Hedge Providers and the Agent, or any of them, under or in connection with this Agreement and the other Credit Documents, whether arising from dealings between the Lenders, Hedge Providers and the Agent, or any of them, and the Borrower, Secured Subsidiaries or any of them or from any other dealings or proceedings thereunder by which the Lenders, Hedge Providers and the Agent, or any of them, may be or become in any manner whatever a creditor of the Borrower, Secured Subsidiaries and Required Pledgors or any of them, and wherever incurred, and whether incurred by the Borrower, the Secured Subsidiaries and the Required Pledgors, or any of them, alone or with another or others and whether as principal or surety, and also including all obligations, debts and liabilities, present or future, in respect of any cash management products or arrangements provided by a Lender or any Affiliate of any of them for any Restricted Party, and all interest, fees, legal and other costs, charges and expenses and, for clarity, the term “Lenders” and “Hedge Providers” when used in this definition shall include the Agent in its capacity as a Lender or Hedge Provider, as applicable.

“Original Credit Agreement” has the meaning set out in the recitals hereto.

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Credit Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document.

“Participant” has the meaning set forth in Section 14.3.

“Pending Event of Default” means an event which, but for the requirement for the giving of notice, lapse of time, or both, would constitute an “Event of Default”.

“Pension Plan” means (i) a “pension plan” or “plan” which is a “registered pension plan” as defined in the Tax Act or is subject to the funding requirements of applicable pension benefits legislation in any Canadian jurisdiction and is applicable to employees resident in Canada of a Restricted Party, or (ii) any other pension benefit plan or similar arrangement applicable to employees of a Restricted Party.

“Permits” means governmental licences, authorizations, consents, registrations, exemptions, permits and other approvals required by law.

“Permitted Conditions” means, with respect to the Borrower’s right to convert any obligations into capital stock or to satisfy any retraction, repayment, repurchase or redemption obligations in respect thereof by the issuance of capital stock, (i) any requirement for the expiry of any period of time before the right may be exercised (unless the Borrower may be required to repay, convert or satisfy such obligations prior to the expiry of such period of time); and (ii) with respect only to Class B non-voting participating shares of the Borrower issuable upon the exercise of such right, any requirement that such shares be listed, posted and freely tradable on a recognized stock exchange, provided that (x) at the time such obligations are created or incurred and for such time as they remain outstanding, all issued and outstanding Class B non-voting participating shares are listed, posted and freely tradable on a recognized stock exchange, and (y) such additional shares are (or upon issuance will be) so listed, posted and freely tradable.

“Permitted Debt” means:

- (a) Debt under this Agreement;
- (b) Debt of the Borrower or a Secured Subsidiary secured by Purchase Money Security Interests that do not, in the aggregate, secure Debt in excess of \$30,000,000;
- (c) Debt of the Borrower and the Secured Subsidiaries in respect of Hedge Obligations provided by Hedge Providers that are secured by the Security, subject to the limitations set out in Section 8.1.12;
- (d) Debt of the Borrower or the Secured Subsidiaries secured by an Encumbrance of a type referred to in paragraph (j) of the definition of Permitted Encumbrances that is not otherwise “Permitted Debt” pursuant to any other paragraph of this definition and that does not, in the aggregate, without duplication, exceed \$30,000,000;
- (e) Debt of the Borrower that is Permitted Secured Pari Passu Debt;
- (f) secured or unsecured Debt of a Restricted Party (other than the Borrower or a Secured Subsidiary) that does not, in the aggregate, exceed \$50,000,000; and
- (g) Debt of the Borrower or any Secured Subsidiary that is unsecured.

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

- (a) liens for taxes, rates, assessments or other governmental charges or levies not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by or on behalf of that Person;

- (b) undetermined or inchoate statutory liens, statutory rights of distress which have not at such time been filed or exercised, or which relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by or on behalf of that Person;
- (c) reservations, limitations, provisos and conditions expressed in any original grants from the Crown or other grants of real or immovable property, or interests therein, which do not materially impair the use of the affected land for the purpose for which it is used by that Person;
- (d) licences, easements, rights-of-way and rights in the nature of easements (including, without limiting the generality of the foregoing, licences, easements, rights-of-way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) which do not materially impair the use of the affected land for the purpose for which it is used by that Person;
- (e) title defects or irregularities which are of a minor nature and which in the aggregate do not materially impair the use of the affected property for the purpose for which it is used by that Person;
- (f) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (g) the Encumbrance resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workmen's compensation, unemployment insurance, surety or appeal bonds, costs of litigation when required by law not to exceed \$30,000,000 in aggregate, liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens, and public, statutory and other like obligations incurred in the ordinary course of business;
- (h) security given to a public utility or any municipality or Governmental Authority when required by such utility, municipality or Governmental Authority in connection with the operations of that Person in the ordinary course of its business;
- (i) any Encumbrance securing the Obligations, including, for clarity, the Hedge Obligations;
- (j) any Encumbrance which was existing on property when it was acquired and which was not created in connection with or in contemplation of such acquisition, and any Encumbrance created pursuant to any agreement entered into by a Person prior to such Person becoming a Secured Subsidiary, provided that such security

was not incurred in connection with or in contemplation of such Person becoming a Secured Subsidiary , and all renewals and replacements of the foregoing so long as no such renewal or replacement affects any additional property of such Person and the Debt secured thereby is not increased;

- (k) Purchase Money Security Interests that are permitted hereunder;
- (l) any Encumbrance that secures Permitted Secured Pari Passu Debt;
- (m) any Encumbrance in respect of Debt described in paragraph (d) of the definition of Permitted Debt;
- (n) any Encumbrance granted in connection with a Permitted Licensing Disposition provided that the Encumbrance is only in respect of the particular Programming in question;
- (o) the Encumbrances described in Schedule F to this Agreement; and
- (p) such other Encumbrances as agreed to in writing by the Lenders.

“Permitted Licensing Disposition” means the grant of a license or any other right to use, publish, broadcast, distribute, merchandise or otherwise exploit any Programming developed, owned or licensed by a Restricted Party to any broadcaster, distributor, producer or other Person (and whether or not such other Person, in connection therewith, has licensed any rights to a Restricted Party under a co-production agreement or otherwise) and includes those under which the Agent on behalf of the Lenders may be requested to enter into a non-disturbance or “quiet enjoyment” agreement, acknowledgement of Lenders’ rights under the Security or any other Credit Documents and/or any other similar agreement or ancillary release, certificate or other document relating thereto (each a **“Non-Disturbance Agreement”**) with such Person, that may include or require a subordination by the Agent in favour of the grantee of the license or other right of the security interest, assignment, mortgage and charge granted to the Agent pursuant to the Security (a **“Subordination”**), provided that:

- (a) such Permitted Licensing Disposition is entered into by the Restricted Party in the ordinary course of its business;
- (b) any Subordination is limited to the security interest, assignment, mortgage and charge granted to the Agent in the Programming that is the subject of such Permitted Licensing Disposition and does not in any other way affect or derogate from any rights of the Agent or the Lenders in and to any other present or future Property of the Restricted Party that is subject to the Security; and
- (c) no Event of Default has occurred and is continuing nor would any Pending Event of Default or Event of Default result from the making of such Permitted Licensing Disposition or the granting of any Subordination related thereto.

“Permitted Secured Pari Passu Debt” means Debt of the Borrower that ranks *pari passu* with the Obligations and not in priority thereto and that is secured by collateral of the Borrower and

the Restricted Parties, provided that (i) the collateral so secured is not greater than the collateral secured by the Security, and (ii) an Interlender Agreement, satisfactory to the Agent, acting reasonably is in full force and effect.

“**Person**” or “**person**” means any individual, corporation, company, limited liability company, partnership, limited partnership, association, unincorporated association, trust, joint venture, estate, any judicial entity, Governmental Authority or other entity.

“**Positive Mark to Market Amount**” has the meaning set out in the definition of “Mark to Market Amount”.

“**Prime Rate**” means, on any day, the interest rate expressed as a percentage rate per annum calculated on the basis of a 365 or 366 day year, as the case may be, equal to the greater of:

- (a) such rate calculated by the Agent to be the arithmetic mean (rounded upwards, if necessary to the nearest whole multiple of 1/100 of one percent per annum) of the rates per annum announced by the Schedule I Reference Lenders on that day as their reference rates of interest for the determination of the interest rates that they will charge to customers of varying degrees of creditworthiness in Canada for Canadian Dollar commercial loans made by them in Toronto, Ontario and referred to by them as their Canadian prime rate; and
- (b) such rate calculated by the Agent to be the sum of (i) the arithmetic mean (rounded upward, if necessary, to the nearest whole multiple 1/100 of one percent per annum) of the rates for one (1) month Canadian Dollar bankers’ acceptances appearing on Reuters CDOR page “**Canadian Interbank Bid BA Rates**” (or such other page as the Agent shall nominate which replaces that page for the purpose of displaying rates quoted for such bankers’ acceptances) as of 10:00 a.m. (Toronto time) on that day and (ii) 1.0% per annum,

in each case adjusted automatically with each announced, displayed or quoted change in such rate without the necessity of notice to the Borrower or any other Person.

“**Prime Rate Advance**” means an Advance in Canadian Dollars bearing interest based on the Prime Rate and includes deemed Prime Rate Advances provided for in Sections 6.10 and 6.18.6.

“**Proforma Financial Statements**” means financial statements in substantially the same form as the financial statements delivered by the Borrower pursuant to Section 8.3.2 prepared on a consolidated basis which reflect the projected results of a proposed Investment as contemplated by Section 8.4.5 or a proposed sale, transfer, assignment or other disposition as contemplated by Section 8.4.4, in each case (i) for the current and subsequent Fiscal Years up to and including the Fiscal Year ending after the later of the Revolving Facility Maturity Date and the Term Loan Maturity Date, (ii) in form and substance and with results satisfactory to the Agent, acting reasonably; and (iii) demonstrating to the Agent’s satisfaction, acting reasonably, that the underlying assumptions are reasonable.

“**Programming**” means, depending on the context in which it appears, (a) the management, facilitation and execution of all things necessary to physically make or produce (including

development, pre-production, principal photography, post production, completion and delivery, as these terms are commonly understood in the film and television production industry) a feature film, television program (episodic or otherwise), television series, documentary or filmed or video taped entertainment of any kind and/or length, whether it be live action or animation for any and all existing or as yet undefined media including, without limitation, television, theatrical, broadcast (free and pay), video, radio, home entertainment, DVD, Blu-ray, CD-ROM, non-theatrical, on-line, on-demand, interactive, mobile/wireless, music and personal media product rights, (b) the feature film, television program, episode, television series, documentary or filmed video taped entertainment resulting from the foregoing activity, and “Programming” includes all distribution, merchandising, music or other publishing and similar rights of the Restricted Parties in respect of Programming referred to in clause (b) of this definition.

“Property” means, with respect to any Person, all or any portion of its undertaking, property and assets, both real and personal, including for greater certainty any share in the capital of a corporation.

“Proportionate Share” means in respect of each Lender or Hedge Provider from time to time, (i) with respect to a Credit Facility, or the Commitments or Advances under a Credit Facility, the percentage of such Credit Facility which a Lender has agreed to advance to the Borrower, determined by dividing the Lender’s Commitment in respect of a Credit Facility by the aggregate of all of the Lenders’ Commitments with respect to such Credit Facility, (ii) with respect to the Obligations, subject to Section 10.10, *pro rata* in accordance with the aggregate unpaid amount of the Obligations owed to such Lender or Hedge Provider, which, in the case of all Hedge Obligations, shall mean all amounts due under such Hedge Obligations including, with respect to all Hedge Obligations (whether or not governed by ISDA Master Agreements), as a result of an Event of Default or a Termination Event (as such terms are defined in the applicable ISDA Master Agreement).

“Purchase Money Security Interest” means an Encumbrance created by a Person securing Debt incurred to finance the acquisition of Property, provided that (i) such Encumbrance is created substantially simultaneously with the acquisition of such Property, (ii) such Encumbrance does not at any time encumber any Property other than the Property financed by such Debt, (iii) the amount of Debt secured thereby is not increased subsequent to such acquisition, and (iv) the principal amount of Debt secured by any such Encumbrance at no time exceeds 100% of the original purchase price of such Property at the time it was acquired, and for the purposes of this definition the term “acquisition” shall include, without limitation, a capital lease and the term “acquire” shall have a corresponding meaning.

“Rate Change Effective Date” has the meaning set out in Section 4.1.3.

“Receiving Lender” has the meaning set out in Section 12.6.

“Register” has the meaning set out in Section 14.2.4.

“Related Party” 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.

“Relevant Jurisdictions” means, from time to time, (a) with respect to the Borrower, each Secured Subsidiary and each Required Pledgor, the jurisdiction of its formation, (b) with respect to the Borrower, each Secured Subsidiary and each Required Pledgor, the province or territory in Canada or relevant political subdivision in any other country in which such entity has its chief executive office or chief place of business, (c) with respect to the Borrower and each Secured Subsidiary, each province or territory in Canada or relevant political subdivision in any other country in which the Borrower or such Secured Subsidiary, as the case may be, has, based on the financial statements for the Borrower’s most recently completed Fiscal Year, Property having a book value in excess of \$5,000,000 or generates Cash Flow for the most recently completed Fiscal Year in excess of \$5,000,000, including for greater certainty as at the date hereof the provinces or other relevant political subdivisions set out in Schedule N in respect of the Borrower and each Secured Subsidiary; and (d) with respect to each Required Pledgor and Third Party Pledgor each province or territory in Canada or relevant political subdivision in any other country (i) in which the ownership interests that such Required Pledgor or Third Party Pledgor s required to pledge pursuant to Article 9 are legally situate, and (ii) in which it is necessary or desirable to make registrations or filings to ensure perfection, or proper filing or recordation of security interests granted pursuant to the Security.

“Required Pledgor” has the meaning set out in Section 9.1.1(f).

“Required Rating” means (a) in respect of any Person, a rating of such Person’s long term unsecured indebtedness of either (i) “A” or higher from Standard & Poor’s Financial Service LLC or (ii) “A2” or higher from Moody’s Investors Service, Inc., or (b) the equivalent rating or ratings from time to time of such rating agency or agencies as may be accepted for such purposes by the Majority Lenders, acting reasonably, from time to time.

“Requirement of Law” means, as to any person, any law, treaty, regulation, ordinance, decree, judgment, order or similar requirement made or issued under sovereign or statutory authority and applicable to or binding upon that person, or to which that person or any of its Property is subject and includes all Requirements of Environmental Law.

“Requirements of Environmental Law” means with respect to the Restricted Parties at any time, all requirements of the common law, civil law, or statutes, regulations, by-laws, ordinances, treaties, judgments and decrees and to the extent that they have the force of law, rules, policies, guidelines, orders, approvals, notices, Permits, directives, and the like, of any federal, territorial, provincial, regional, municipal or local judicial, regulatory or administrative agency, board or Governmental Authority in Canada or any other jurisdiction in which the Restricted Parties have Property relating to environmental or occupational health and safety matters and the Property of the Restricted Parties and the intended uses thereof, including all such requirements relating to: (i) the protection, preservation or remediation of the natural environment (the air, land, surface water or ground water), (ii) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal, clean-up, or transportation; and (iii) Hazardous Materials.

“Restricted Parties” means the Borrower and its Subsidiaries (other than the Excluded Subsidiaries).

“Revolving Commitment” has the meaning set forth in Section 2.1.1.

“Revolving Facility” has the meaning set out in Section 2.1.1.

“Revolving Facility Lenders” means, at any time, the Lenders named under the caption **“Revolving Facility”** in Schedule B hereto or any Schedule substituted therefor who have provided Commitments at such time in respect of the Revolving Facility and **“Revolving Facility Lender”** means any one of them and includes the Swingline Lender in respect of the Swingline Facility.

“Revolving Facility Maturity Date” means February 11, 2017.

“Revolving Period” means, in relation to the Revolving Facility, the period commencing on the Effective Date and ending on the Revolving Facility Maturity Date.

“Rollover” means the extension of a LIBOR Advance or a BA Equivalent Loan for an additional period or the acceptance of a Bankers’ Acceptance in like principal amount upon the maturity of a Bankers’ Acceptance, and for purposes of Sections 5.2.2, 5.2.3, 5.2.4, 5.2.5 and 6.19, includes the making of an Advance in the same amount as an Advance which matures and is repaid on the same date.

“Schedule I BA Lender” means any BA Lender referred to in Schedule I of the *Bank Act* (Canada).

“Schedule I Reference Lenders” means, collectively, TD, Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Royal Bank of Canada or such other Lender or Lenders that are banks referred to in Schedule I of the *Bank Act* (Canada) that, in the opinion of the Agent in consultation with the Borrower, are representative of the Schedule I Lenders.

“Section” means the designated section of this Agreement.

“Secured Subsidiary” means each of the Persons described in Schedule Q and their respective successors and any other Subsidiary of the Borrower that is owned directly by either (a) the Borrower, or (b) any combination of one or more of the Borrower, Secured Subsidiaries, Required Pledgors and Third Party Pledgors, that is designated after the date hereof to become a Secured Subsidiary in a certificate delivered by the Borrower under Section 8.3.4 and their respective successors, provided that under no circumstances can a Person be or remain a Secured Subsidiary unless all of the ownership interests therein (except such ownership interests as are represented by non-voting, preferred redeemable ownership interests) are pledged to the Agent to the extent and within the time required by Article 9; provided that the Borrower may, at any time, at its option, notify the Agent in writing that any Secured Subsidiary shall cease to be a Secured Subsidiary (but such Secured Subsidiary shall continue to be a Restricted Party unless the Borrower, if permitted hereunder to do so, further designates the same as an Excluded Subsidiary in accordance with the provisions hereof), so long as (i) the cessation does not occur at the time of or result in the occurrence of a Pending Event of Default or an Event of Default and (ii) if the applicable Subsidiary of the Borrower holds ownership interests in any Secured Subsidiary or Material Entity, the security, guarantee and share certificates referred to in Section 9.1.1(e) and (g) are executed and delivered to the Agent promptly but, in any event, prior to the earlier of (i) any Security previously delivered by the applicable Secured Subsidiary being released, and (ii) 30 days from the date it ceases to be a Secured Subsidiary.

“**Security**” means the security held from time to time by a Lender, or the Agent, securing or intended to secure repayment of the Obligations, including without limitation the security described in Sections 9.1 and 9.2, and includes all documentation granted in connection therewith, which creates or confirms an Encumbrance or guarantee.

“**Security and Guarantee Confirmation Agreement**” means the security confirmation and guarantee acknowledgement and amendment agreement dated as of the date of this Agreement between the Agent, the Borrower and the Existing Secured Subsidiaries, confirming that the guarantees and security granted pursuant to the Existing Credit Agreement secure the Obligations.

“**Shaw**” means Shaw Communications Inc., a corporation continued under the *Business Corporations Act* (Alberta).

“**Software**” means computer programs, in object code (including micro code), source code or other form, that have been, are or may be provided to the Restricted Parties and include all new releases, updates, enhancements, or changes to the foregoing and all Documentation.

“**Step-up Election**” has the meaning given thereto in Section 8.2.

“**Subsidiary**” means, at any time, with respect to any Person, any other Person, if at such time the first mentioned Person Controls such other Person, and includes any other Person in like relationship to a Subsidiary of such first mentioned Person.

“**Successor Agent**” has the meaning set out in Section 12.11.

“**Swapped Assets**” has the meaning set out in Section 8.4.4.

“**Swingline Advance**” has the meaning set out in Section 2.2.2.

“**Swingline Commitment**” has the meaning set out in Section 2.2.3.

“**Swingline Facility**” has the meaning set out in Section 2.2.1.

“**Swingline Lender**” means TD or such other Lender identified from time to time as the Swingline Lender in Schedule B.

“**Tax Act**” means the *Income Tax Act* (Canada), including the regulations thereto and any successor legislation.

“**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.

“**TD**” means The Toronto-Dominion Bank, a bank chartered under the *Bank Act* (Canada), or any successor thereof.

“Term Loan Commitment” means the aggregate of the Commitments of the Term Loan Lenders in respect of the Term Loan Facility as set forth on Schedule B hereto, as reduced in accordance with this Agreement.

“Term Loan Facility” has the meaning set out in Section 2.1.1.

“Term Loan Lenders” means, at any time, the Lenders named under the caption “Term Loan” in Schedule B hereto or any Schedule substituted therefor who have provided Commitments at such time in respect of the Term Loan Facility and **“Term Loan Lender”** means any one of them.

“Term Loan Maturity Date” means February 3, 2016.

“Third Party Pledgor” has the meaning set out in Section 9.1.1(f).

“Total Assets” means, at the time of determination, the total assets of the Borrower, calculated on a consolidated basis.

“Total Commitment” means the aggregate of the Commitments of all the Lenders.

“Total Debt” means the aggregate amount of Debt of the Borrower (determined on a consolidated basis, without duplication), and by deeming the amount of all liabilities and obligations in respect of each Hedge Transaction to be the Positive Mark to Market Amount, if any, in respect thereof, less the Aggregate Mark to Market Exposure Amount unless the Borrower has made the Mark to Market Exposure Amount Election.

“Total Debt to Cash Flow Ratio” means the ratio calculated by dividing (a) Total Debt at the time of determination, by (b) Cash Flow of the Borrower for the four immediately preceding completed fiscal quarters.

“U.S. Base Rate” means, on any day, the interest rate expressed as percentage rate per annum calculated on the basis of a 365 or 366 day year, as the case may be, equal to the greater of:

- (a) such rate calculated by the Agent to be the arithmetic mean (rounded upward, if necessary to the newest 1/100 of one percent per annum) of the rates per annum announced by the Schedule I Reference Lenders on that day as their reference rate of interest for the determination of the interest rates that they will charge customers for U.S. Dollar loans made by them in Canada, and
- (b) the sum of (i) the Federal Funds Effective Rate and (ii) 1.0% per annum,

in each case adjusted automatically with each announced, displayed or quoted change in such rate without the necessity of notice to the Borrower or any other Person.

“U.S. Base Rate Advance” means an Advance in U.S. Dollars bearing interest based on the U.S. Base Rate and includes deemed U.S. Base Rate Advances provided for in Section 6.16 and 6.17.2.

“U.S. Dollars” and “U.S. \$” mean lawful money of the United States of America.

“Voting Shares” means shares of any class of any corporation carrying voting rights generally under all circumstances and shall include any shares or other securities convertible or exchangeable into such shares.

1.2 Headings and Schedules

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Third Amended and Restated Credit Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement. References to Schedules herein are to the Schedules of this Agreement.

1.3 Number

Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders and *vice versa* and words importing Persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and *vice versa*.

1.4 Accounting Principles

- 1.4.1 Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement or any Credit Document, such determination or calculation shall, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the parties, be made in accordance with GAAP applied on a consistent basis. Financial statements shall be prepared in accordance with GAAP.
- 1.4.2 All calculations for the purposes of determining compliance with the financial ratios and financial covenants contained in this Agreement will be made on a basis consistent with GAAP as it exists on the date of this Agreement and used in the preparation of the consolidated financial statements of the Borrower for its financial year ended August 31, 2013. In the event of a change in such GAAP, the Borrower and the Agent (with the approval of the Majority Lenders) will negotiate in good faith to revise (if appropriate) such ratios and covenants to reflect GAAP as then in effect and upon revision, if any, GAAP will then be GAAP in effect on the date of such revision.

1.5 Permitted Encumbrances

The inclusion of reference to Permitted Encumbrances in any Credit Document is not, in each case in and of itself, intended to subordinate and will not subordinate, any Encumbrance created by any of the Security to any Permitted Encumbrance.

1.6 Currency

Except as otherwise specifically provided herein, all monetary amounts in this Agreement are stated in Canadian Dollars.

1.7 Extended Meanings

In this Agreement words importing the singular number include the plural and *vice versa*, words importing any gender include all genders. The term “including” means “including without limiting the generality of the foregoing” and the term “third party” means any person other than a person who is a party to this Agreement.

1.8 Interest Calculations and Payments

Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest “per annum” or a similar expression is used, such interest will be calculated on the basis of a calendar year of 365 days or 366 days, as the case may be, and using the nominal rate method of calculation and not the effective rate method of calculation or on any other basis that gives effect to the principle of deemed reinvestment of interest. Interest will continue to accrue after maturity and default and/or judgment, if any, until payment thereof, and interest will accrue on overdue interest, if any.

1.9 Schedules

Schedule A	-	Applicable Margins
Schedule B	-	Commitments of Lenders
Schedule C	-	Compliance Certificate
Schedule D	-	Notice of Repayment
Schedule E	-	CRTC Licences (and Expiry Dates)
Schedule F	-	Additional Permitted Encumbrances
Schedule G	-	[Intentionally Deleted]
Schedule H	-	Advance Notice
Schedule I	-	Organizational Chart Showing all Subsidiaries
Schedule J	-	Litigation
Schedule K	-	Environmental Disclosure
Schedule L	-	Real Property
Schedule M	-	Material Contracts
Schedule N	-	Relevant Jurisdictions and Former Names
Schedule O	-	Assignment Agreement
Schedule P	-	[Intentionally Deleted]
Schedule Q	-	List of Subsidiaries and other Ownership Interests
Schedule R	-	Increased Revolving Facility Request

1.10 Amendment and Restatement

From the Effective Date, this Agreement is and will for all purposes be a further amendment and a restatement of the provisions of the Existing Credit Agreement. From the Effective Date, this Agreement supersedes the Existing Credit Agreement insofar as it constitutes the entire agreement between the parties concerning the subject matter of this Agreement, but does not constitute a novation of the Existing Credit Agreement or of any of the indebtedness, liabilities or obligations of the Borrower thereunder. All outstanding Advances (as defined in the Existing Credit Agreement) are Advances under this Agreement, and all of the Obligations (as defined in the Existing Credit Agreement) are Obligations under this Agreement. Prior to the Effective Date, the Existing Credit Agreement shall continue in full force and effect in accordance with its terms.

ARTICLE 2

THE CREDIT FACILITIES

2.1 Credit Facilities

2.1.1 Subject to the terms and conditions of this Agreement:

- (a) the Revolving Facility Lenders establish in favour of the Borrower a revolving credit facility (the “**Revolving Facility**”), in an amount up to Cdn. \$500,000,000, or the Equivalent Amount thereof in U.S. Dollars (the “**Revolving Commitment**”), which amount includes the Swingline Facility, which facility will be available only during the Revolving Period; and
- (b) the Term Loan Facility Lenders establish in favour of the Borrower a non-revolving term loan facility (the “**Term Loan Facility**”), in an amount of up to Cdn. \$150,000,000, which facility will be made available by a single advance on the first Drawdown Date on or after the Effective Date.

2.1.2 The obligation of each Revolving Facility Lender to make Advances under the Revolving Facility shall be several and shall not exceed its Proportionate Share of the Revolving Facility.

2.1.3 The obligation of each Term Loan Lender to make Advances under the Term Loan Facility shall be several and shall not exceed its Proportionate Share of the Term Loan Facility.

2.2 Swingline Facility

2.2.1 Subject to the terms and conditions of this Agreement, the Swingline Lender establishes in favour of the Borrower a Credit Facility that is part of the

Revolving Facility on the terms set forth in this Section 2.2 (the “**Swingline Facility**”) up to the amount specified in Section 2.2.3.

- 2.2.2 At any time that the Borrower would be entitled to obtain Prime Rate Advances or U.S. Base Rate Advances under the Revolving Facility, the Borrower will be entitled to, as applicable, draw cheques on its Cdn. Dollar or U.S. Dollar chequing account maintained from time to time with the Swingline Lender at the Lending Office of the Swingline Lender specified in Schedule B (or such other accounts with the Swingline Lender at such other Lending Office of the Swingline Lender as may be agreed upon by the Swingline Lender and the Borrower from time to time). The debit balance from time to time in any such account will be deemed to be a Prime Rate Advance or U.S. Base Rate Advance, as applicable, outstanding to the Borrower from the Swingline Lender under the Revolving Facility. If at any time the Borrower is a party to a cash concentration arrangement with the Swingline Lender, the amount of any overdraft from time to time in the Cdn. Dollar concentration account or U.S. Dollar concentration account, as applicable, of the Borrower established pursuant to such arrangement (which for greater certainty may include one of the accounts identified above) will also be deemed to be a Prime Rate Advance or U.S. Base Rate Advance, as applicable, outstanding to the Borrower from the Swingline Lender under the Revolving Facility. A Prime Rate Advance or U.S. Base Rate Advance, as applicable, from the Swingline Lender as contemplated by this Section 2.2.2, prior to such time as such Advance is repaid as contemplated by Section 2.2.4, or purchased as contemplated by Section 2.2.5, is referred to as a “**Swingline Advance**”.
- 2.2.3 The outstanding amount of all Swingline Advances at any time may not exceed the lesser of:
- (a) Cdn. \$30,000,000 or the Equivalent Amount thereof in U.S. Dollars (the “**Swingline Commitment**”), and
 - (b) the amount, if any, by which the limit of the Revolving Facility at such time exceeds the Equivalent Amount in Cdn. Dollars of all Advances or (other than Swingline Advances) outstanding at such time under the Revolving Facility.
- 2.2.4 At any time and from time to time in its discretion, the Swingline Lender may (but will not be obliged to) deliver a written notice to the Agent (which will thereupon deliver a similar notice to each of the Revolving Facility Lenders under the Revolving Facility) and to the Borrower, requiring repayment of one or more Swingline Advances. The Borrower will be deemed to have given, at such time, an Advance Notice to the Agent requesting Prime Rate Advances or U.S. Base Rate Advances, as applicable, under the Revolving Facility in an aggregate amount equal to the amount of such Swingline Advance. The Revolving Facility Lenders under the Revolving Facility will thereupon (irrespective of whether (i) any condition precedent to an Advance has been

satisfied, (ii) the amount of such Advance to be made available under the Revolving Facility is less than, equal to or more than the minimum amount of an Advance required to be included in an Advance constituting such type of Advance under this Agreement, (iii) any Event of Default or Pending Event of Default exists, (iv) any termination of the Credit Facilities and the Commitments has occurred or commenced under any of the Credit Documents or otherwise or (v) the Revolving Facility Maturity Date has occurred) make such Prime Rate Advance or U.S. Base Rate Advance, as applicable, under the Revolving Facility and the Agent will apply the proceeds thereof in repayment of such Swingline Advance. The Agent will promptly notify the Borrower of any such Prime Rate Advances or U.S. Base Rate Advances, as applicable, and the Borrower will accept each such Prime Rate Advance or U.S. Base Rate Advance, as applicable, and hereby irrevocably authorizes and directs the Agent to apply the proceeds thereof in payment of the applicable Swingline Advance.

- 2.2.5 Without limiting the provisions of Section 2.2.4, on the Revolving Facility Maturity Date, or if an Event of Default has occurred and is continuing, each of the Revolving Facility Lenders under the Revolving Facility, other than the Swingline Lender, will purchase from the Swingline Lender, and the Swingline Lender will sell to such Revolving Facility Lenders, for cash, at par, without representation or warranty from or recourse against the Swingline Lender (and irrespective of whether any condition precedent to an Advance has been satisfied, any Pending Event of Default has occurred or is continuing or whether any acceleration or enforcement action (including any termination of the Credit Facilities and the Commitments) has occurred or commenced under any of the Credit Documents or otherwise or whether the Revolving Facility Maturity Date has occurred), on a *pro rata* basis, an undivided interest in all Swingline Advances then outstanding. The Agent, upon consultation with the applicable Revolving Facility Lenders, will have the power to settle any documentation required to evidence any such purchase and, if deemed advisable by the Agent, to execute any document as attorney for any such Revolving Facility Lender in order to complete any such purchase. The Borrower and the Revolving Facility Lenders under the Revolving Facility acknowledge that the foregoing arrangements are to be settled by such Revolving Facility Lenders among themselves, and the Borrower expressly consents to the foregoing arrangements between such Revolving Facility Lenders.
- 2.2.6 Each of the Revolving Facility Lenders under the Revolving Facility will indemnify and save harmless the Swingline Lender on a *pro rata* basis against all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses, payments or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against the Swingline Lender in any way related to or arising out of any Swingline Advance made by the Swingline Lender (except for any such liabilities to the

extent that they result from the negligence or wilful misconduct of the Swingline Lender).

2.3 Increase in Commitments

- 2.3.1 At any time provided that no Pending Event of Default or Event of Default has occurred and is continuing, the Borrower may, by delivering a request (an **“Increased Revolving Facility Request”**) in the form of Schedule R, to the Agent, request that on the terms and subject to the conditions contained in this Agreement, at the Borrower’s option, the Revolving Commitments under the Revolving Facility be increased by an additional aggregate amount of up to \$250,000,000, by securing increased Revolving Commitments under this Agreement (**“Additional Requested Revolving Commitments”**), from existing Lenders or New Lenders, subject to the remaining provisions of this Section. The Borrower may deliver an Increased Revolving Facility Request from time to time, so long as the aggregate amount of increased Revolving Commitments provided pursuant to all such requests does not exceed the above referenced aggregate amount.
- 2.3.2 The Additional Requested Revolving Commitments shall be made on all of the same terms and conditions as are contained herein for Revolving Commitments made under the Revolving Facility and will, for certainty, be secured by the Security.
- 2.3.3 The Agent will use commercially reasonable efforts in consultation with the Borrower to arrange for the existing Lenders or New Lenders, or a combination thereof, to provide such Additional Requested Revolving Commitments. Nothing contained in this Section or otherwise in this Agreement is intended to commit any Lender to provide any portion of any such Additional Requested Revolving Commitments.
- 2.3.4 Upon receipt of an Increased Revolving Facility Request, the Agent will promptly deliver a copy to each of the Lenders. Any Lender that does not advise the Agent, within ten (10) Business Days from the date the Increased Revolving Facility Request was delivered to the Agent, that such Lender would be willing to provide a portion of the Additional Requested Revolving Commitments, will be deemed to have declined to provide any portion of Additional Requested Revolving Commitments.
- 2.3.5 Notwithstanding a Lender’s confirmation that it is willing to take up any portion of the Additional Requested Revolving Commitment, the final allocation of the Additional Requested Revolving Commitment as between Lenders and New Lenders will be determined by the Agent and the Borrower in the event of an over-subscription.
- 2.3.6 To the extent that any Lenders and New Lenders have agreed to provide any Additional Requested Revolving Commitments, (a) Revolving Commitments

under the Revolving Facility will be increased by the amount of the Additional Requested Revolving Commitments agreed to be so provided, (b) at such time and in such manner as the Agent and the Borrower shall agree, the Revolving Facility Lenders will assign and the Revolving Facility Lenders and New Lenders, if any, shall assume the outstanding applicable Advances held by each assigning Revolving Facility Lender in order to ensure that outstanding Advances by each Revolving Facility Lender reflects such Revolving Facility Lender's Proportionate Share of the applicable Revolving Commitments, and (c) the Borrower will execute and deliver (i) an officer's certificate certifying that no Event of Default or Pending Event of Default has occurred and is continuing or will occur as a result of the increase in Revolving Commitments, (ii) a currently dated letter of opinion of Borrower's Counsel as to such matters as the Agent may reasonably request, and (iii) an officer's certificate of each of the Secured Subsidiaries, Required Pledgors and Third Party Pledgors confirming that each of the resolutions authorizing the grant of security for the Obligations including in respect of the increased Revolving Commitments has not been revoked and remains in full force and effect.

- 2.3.7 The approval of each of the Agent, Issuing Lender and Swingline Lender is required to the extent that an existing Lender who is not a Revolving Lender, or a New Lender has agreed to provide any Additional Requested Revolving Commitments.

2.4 Purposes of Credit Facilities

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

- (a) under the Revolving Facility, to finance permitted acquisitions and Capital Expenditures and for general corporate requirements in the ordinary course of business of the Borrower and its Subsidiaries as permitted hereunder; and
- (b) under the Term Loan Facility, solely to refinance outstanding Advances under the Revolving Facility.

2.5 Manner of Borrowing

- 2.5.1 The Borrower may, under the Revolving Facility, (a) make Advances, Conversions and Rollovers, in Canadian Dollars, of Prime Rate Advances, Bankers' Acceptances and BA Equivalent Loans, (b) make Advances, Conversions and Rollovers, in United States Dollars, of U.S. Base Rate Loans and LIBOR Advances, and (c) make Advances and Conversions of Letters of Credit, in either Canadian Dollars or United States Dollars, in an aggregate amount not to exceed the LC Limit.
- 2.5.2 The Borrower may under the Term Loan Facility, in Canadian Dollars, make a single Advance on the Effective Date and may make Conversions and Rollovers of Prime Rate Advances, Bankers' Acceptances and BA Equivalent

Loans. If the full amount available to be borrowed under the Term Loan Facility is not borrowed on the Effective Date, the Commitments in respect of the Term Loan Facility will be automatically and permanently reduced by the amount not borrowed under the Term Loan Facility.

2.6 Nature of Credit Facilities

Subject to the terms and conditions hereof, the Borrower may increase or decrease the amount of Obligations outstanding under the Revolving Facility by making Advances, repayments and further Advances. The principal amount of any Advance under the Revolving Facility (including any Advance under the Swingline Facility) that is repaid may be reborrowed up to the then existing Revolving Commitment or Swingline Commitment, as the case may be. For greater certainty, the principal amount of any Advance under the Term Loan Facility that is repaid may not be reborrowed.

ARTICLE 3

REDUCTION AND REPAYMENT OF CREDIT

3.1 Termination and Reduction of Commitments

Unless previously terminated, (1) the Revolving Facility and all Revolving Commitments shall terminate on the Revolving Facility Maturity Date and (2) the Term Loan Facility and all Term Loan Commitments shall terminate on the Term Loan Maturity Date.

3.2 Repayment of Credit Facilities

- 3.2.1 Subject to Section 3.3, the principal amount of all Advances under the Revolving Facility shall be repaid such that the principal amount of all Advances under the Revolving Facility does not exceed the Revolving Facility Commitment then in effect.
- 3.2.2 All Obligations in connection with the Revolving Facility shall, in any event, be repaid in full on or before the Revolving Facility Maturity Date.
- 3.2.3 The Borrower will repay the outstanding principal amount of all Advances and all other Obligations under the Term Loan Facility in full on or before the Term Loan Maturity Date.

3.3 Excess Over Revolving Facility

If the Agent determines that on any day, as a result of currency fluctuations, the aggregate of (a) Advances in Canadian Dollars then outstanding under the Revolving Facility, and (b) the Equivalent Amount in Canadian Dollars of Advances in U.S. Dollars then outstanding under the Revolving Facility on such day (the “**Aggregate Outstandings**”), exceeds 105% of the Total Commitment then in effect in respect of such Credit Facility, the Agent shall notify the Borrower that such event has occurred, and the Borrower shall, within three Business Days of receipt of such notice, (i) repay Advances under such Credit Facility in an amount (the

“**Credit Excess Amount**”) equal to the amount by which the Aggregate Outstandings exceed the Total Commitment then in effect in respect of such Credit Facility; or (ii) deposit with the Agent an amount, or lodge with the Agent, Cash Equivalents in an amount, in either case, equal to the Credit Excess Amount (the “**Deposited Amounts**”), provided that if it is determined on any subsequent day that the amount of the Deposited Amounts exceeds the Credit Excess Amount as at such date, the Borrower may withdraw the amount by which the Deposited Amounts exceed the Credit Excess Amount; or (iii) provide or cause to be provided an assignment in favour of the Agent (in form and substance satisfactory to the Agent) the benefit of a portion of the Negative Mark to Market Amount under an ISDA Master Agreement entered into between the Borrower or a Secured Subsidiary, on the one hand, and any Hedge Provider that has the Required Rating, on the other hand, which portion is at least equal in amount to the Credit Excess Amount; provided that for such period as the Borrower continues to rely upon such assignment pursuant to this clause (iii), the Borrower shall provide or cause to be provided information satisfactory to the Agent respecting such Hedge Obligations, not less frequently than weekly, sufficient to permit the Agent to verify the Mark to Market Amount under such ISDA Master Agreement, and provided further that if it is determined on any subsequent day that the Negative Mark to Market Amount of under such ISDA Master Agreement that is subject to such assignment exceeds the Credit Excess Amount, the Agent shall, at the request of the Borrower, release from such assignment a portion of such assigned amounts equal to the amount by which such assigned amounts exceed the Credit Excess Amount.

3.4 Voluntary Reduction of Commitments

- 3.4.1 The Borrower may from time to time, by giving not less than three Business Days’ express written notice to the Agent in the form of Schedule D and paying all accrued and unpaid standby fees to the effective date of cancellation or reduction, irrevocably notify the Agent of the cancellation of a Credit Facility or of the permanent reduction of the committed amount of such Credit Facility in an amount that shall be a minimum of \$5,000,000 (or U.S. \$5,000,000, in the case of Advances denominated in U.S. Dollars) and in a whole multiple of \$100,000 or U.S. \$100,000, as the case may be. If as a result of such reduction of a Credit Facility the aggregate amount of credit extended to the Borrower outstanding under such Credit Facility exceeds the aggregate Commitments of the Lenders under such Credit Facility after giving effect to such reduction, the Borrower will, upon notice from the Agent, repay such credit in an aggregate amount equal to such excess, provided that any such repayment shall be subject to Section 3.4.3. Subject to Section 2.3, the Borrower shall have no right to increase the committed amount of a Credit Facility after any such voluntary reduction.
- 3.4.2 Notwithstanding anything herein to the contrary, any notification to the Agent of the cancellation or reduction of a Credit Facility delivered pursuant to this Section shall first be made with respect to the Term Loan Facility based on each Lender’s Proportionate Share of Term Loan Facility until such time as the Term Loan Facility has been cancelled or reduced in full, and then to the Revolving Facility.

- 3.4.3 For clarity, the Borrower may not by reason of any such reduction or cancellation contemplated by this Section 3.4 pay (i) any LIBOR Advance prior to the end of the applicable LIBOR Period unless the Borrower indemnifies the Lenders for any loss or expense that the Lenders incur as a result, including any breakage costs, nor (ii) any Bankers' Acceptances or BA Equivalent Loans prior to their respective maturity dates.

3.5 Required Repayments of the Credit Facilities

Each repayment of the Credit Facilities required pursuant to Section 8.4.4(c)(ii) regarding the sale of assets, subject as provided in the immediately following sentence, shall be applied first to the repayment of the Term Loan Facility based on each Lender's Proportionate Share of the Term Loan Facility until such time as the Term Loan Facility has been repaid in full, and then to the Revolving Facility. Each such repayment shall permanently reduce the Commitment of each Lender in respect of the applicable Credit Facility by the amounts of such repayments. For clarity, the Borrower may not by reason of any such repayment, reduction or cancellation (i) pay any LIBOR Advances prior to the end of the applicable LIBOR Periods unless the Borrower indemnifies the Lenders for any loss or expense that the Lenders incur as a result, including any breakage costs, or (ii) pay Bankers' Acceptances or BA Equivalent Loans prior to their respective maturity dates. The Borrower shall have no right to increase the committed amount of the Credit Facilities after any such required repayment except in accordance with, and subject to, Section 2.3.

3.6 Repayments

All repayments and prepayments hereunder shall be accompanied by a Notice of Repayment in the form attached as Schedule D.

ARTICLE 4

INTEREST RATES, FEES AND PAYMENTS

4.1 Interest Rates, Bankers' Acceptance Fees and Letter of Credit Fees

- 4.1.1 The Borrower shall pay interest (i) on Prime Rate Advances at a rate per annum equal to the sum of the Prime Rate plus the Applicable Margin, (ii) on U.S. Base Rate Advances at a rate per annum equal to the U.S. Base Rate plus the Applicable Margin, and (iii) on LIBOR Advances at a rate per annum equal to the LIBO Rate for the applicable LIBOR Period plus the Applicable Margin. The Bankers' Acceptance Fee shall be calculated at the BA Rate. The Letter of Credit Fee shall be calculated at the LC Fee Rate.
- 4.1.2 The Applicable Margin to be applied with respect to an Advance shall be the Applicable Margin on the relevant day of the Advance.
- 4.1.3 For the purpose of determining when a change to a margin, rate, fee or fee rate takes place, each change in the Total Debt to Cash Flow Ratio shall be deemed to have occurred as of the date (the "**Rate Change Effective Date**") that the

Agent receives a Compliance Certificate certifying the occurrence of such change. If a Compliance Certificate is not received when due, the Agent may apply the highest Applicable Margin from and after the due date of the Compliance Certificate until the Compliance Certificate is received by the Agent. Any resulting increase or decrease in a margin, rate, fee or fee rate payable hereunder shall be calculated and applied prospectively from and after the Rate Change Effective Date with respect to (i) both outstanding and future Prime Rate Advances and U.S. Base Rate Advances, (ii) LIBOR Advances and BA Equivalent Loans and drafts or bills of exchange accepted as Bankers' Acceptances made or accepted on or after the Rate Change Effective Date, and (iii) Letter of Credit Fees and standby fees calculated on and after the Rate Change Effective Date.

- 4.1.4 Notwithstanding anything herein to the contrary, the Applicable Margin associated with a Total Debt to Cash Flow ratio greater than or equal to [redacted text] and less than [redacted text] from the Effective Date to the date that the Agent receives a Compliance Certificate for the quarter ending February 28, 2014 shall be [redacted text]%.

4.2 Standby Fees

The Borrower shall pay to the Agent for the benefit of the Revolving Facility Lenders a standby fee on the daily unadvanced portion of the Revolving Facility equal to the applicable standby fee indicated on the table set out in Schedule A. The standby fee shall be calculated, based on a year of 365 or 366 days as applicable, daily beginning on the date hereof and shall be payable quarterly on the third Business Day of each fiscal quarter in respect of the preceding fiscal quarter. Standby fees shall be promptly distributed by the Agent to the Revolving Facility Lenders based on their respective Proportionate Shares of the Revolving Facility.

4.3 Fees

The Borrower agrees that the Agency Fee Agreement applies to this Agreement and it will shall pay fees to the Agent as set out therein and any other fee agreement entered into with respect to fees payable in connection with this Agreement.

4.4 [Reserved.]

4.5 Netting of Payments

If, on any date, amounts would be due and payable under this Agreement in the same currency by the Borrower to the Lenders, or any one of them, and by the Lenders, or such Lender, to the Borrower, then, on such date, upon notice from the Agent or such Lender (a copy of which notice shall be given by such Lender to the Agent simultaneously) stating that netting is to apply to such payments, the obligations of each such party to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by the Borrower to the Lenders, or such Lender, exceeds the aggregate amount that would otherwise have been payable by the Lenders, or such Lender, to the Borrower or *vice versa*, such obligations shall be replaced by an obligation upon whichever of

the Borrower or the Lenders, or such Lender, would have had to pay the larger aggregate amount to pay to the other the excess of the larger aggregate amount over the smaller aggregate amount. For greater certainty, prior to acceleration of repayment pursuant to Section 10.2, this Section 4.5 shall not permit any Lender to exercise a right of set-off, combination or similar right against any amount which the Borrower may have on deposit with such Lender in respect of any amount to which netting is to apply pursuant to this Section 4.5, but shall apply only to determine the net amount to be payable by the Lenders or one of them to the Borrower, or by the Borrower to the Lenders or one of them.

4.6 [Reserved.]

4.7 Place of Payment of Principal, Interest and Fees

All payments of principal, interest, fees and other amounts to be made by the Borrower to the Agent and the Lenders pursuant to this Agreement will be made in the currency in which an Advance is outstanding for value on the day such amount is due or, if such day is not a Business Day, on the Business Day next following with interest, by deposit or transfer thereof to the account of the Agent maintained at the Agent's office in Toronto, or at such other place as the Borrower and the Agent may from time to time agree.

4.8 Maximum Rate of Interest

Notwithstanding anything contained herein to the contrary, the Borrower will not be obliged to make any payment of interest or other amounts payable to the Lenders hereunder in excess of the amount or rate that would be permitted by applicable law or would result in the receipt by the Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)). If the making of any payment by the Borrower would result in a payment being made that is in excess of such amount or rate, the particular Lender will determine the payment or payments that are to be reduced or refunded, as the case may be, so that such result does not occur.

ARTICLE 5

CONDITIONS

5.1 Conditions Precedent

The obligations of the Lenders under this Agreement to make Advances after the date hereof are subject to and conditional upon the following conditions precedent being satisfied by the Borrower as of the date of effectiveness of the first such Advance:

- 5.1.1 the Agent shall have received timely notice as required under Section 6.3;
- 5.1.2 the Borrower shall have delivered to the Agent certified copies of:
 - (a) the Constatting Documents of the Borrower, each Secured Subsidiary, each Required Pledgor and each Third Party Pledgor (if any) and to the extent the Borrower is contractually permitted to disclose them to the

Agent and the Lenders, the Constatting Documents in respect of any Material Entity the ownership interests in which the Borrower, a Secured Subsidiary or a Required Pledgor is required to pledge hereunder;

- (b) the resolutions authorizing the execution, delivery and performance of the Borrower's, each Secured Subsidiary's, each Required Pledgor's and each Third Party Pledgor's (if any) respective obligations under the Credit Documents and resolutions of applicable Subsidiaries of the Borrower authorizing the pledge of the ownership interests of such Subsidiary pursuant to securities pledge agreements granted as part of the Security, and the transfer, upon realization, of such ownership interests;
- (c) the resolutions of each Material Entity, the ownership interests in which the Borrower, a Secured Subsidiary or a Required Pledgor is required to pledge hereunder pursuant to securities pledge agreements granted as part of the Security, authorizing such pledge and the transfer, upon realization, of the ownership interests in such Material Entity pursuant thereto, unless the Borrower is unable, solely for legal or contractual reasons, to cause such resolutions to be passed and provided that the Borrower has certified to the Agent that it is unable to do so; and
- (d) evidence of the incumbency of the officers of the Borrower, the Secured Subsidiaries and any Required Pledgor or Third Party Pledgor;

5.1.3 the Borrower shall have delivered to the Agent certified copies of:

- (a) all unanimous shareholder agreements and other shareholder agreements, if any, applicable to the Borrower and each Secured Subsidiary; and
- (b) all unanimous shareholder agreements and other shareholder agreements, if any, applicable to each Material Entity the ownership interests in which the Borrower, a Secured Subsidiary or a Required Pledgor is required to pledge pursuant to the Security, to the extent that the Borrower is not prohibited legally or contractually from providing them to the Agent and the Lenders (in which case the Borrower shall so certify);

5.1.4 certificates of status or comparable certificates for all Relevant Jurisdictions of the Borrower and each Secured Subsidiary shall have been delivered to the Agent;

5.1.5 certificates of status or comparable certificates for the jurisdiction of incorporation or formation, as applicable, of each Required Pledgor, each Third Party Pledgor (if any) and each Material Entity the ownership interests in which the Borrower, a Secured Subsidiary or a Required Pledgor or a Third

Party Pledgor is required to pledge hereunder shall have been delivered to the Agent;

- 5.1.6 each of the Restricted Parties shall be in compliance in all material respects with all of its Material Contracts and Permits, and the Borrower shall have provided a certificate to the Agent certifying as to the same;
- 5.1.7 the Lenders shall have completed their financial, business and legal due diligence with respect to the Restricted Parties, including but not limited to a review of the Borrower's business plan and detailed four year financial projections previously delivered to the Agent, and the results of such due diligence shall be satisfactory to the Lenders in their sole discretion;
- 5.1.8 a currently dated certificate of the Borrower that the representations and warranties set forth in Section 7.1 are true and correct in all material respects as at such time shall have been delivered to the Agent;
- 5.1.9 releases, discharges and postponements (in registerable form where appropriate) with respect to all Encumbrances affecting the collateral Encumbered by the Security that are not Permitted Encumbrances, if any, shall have been delivered to the Agent, the Agent shall be satisfied as to the nature and effect of other encumbrances or registrations affecting such collateral and the Borrower shall have certified to the Agent and the Lenders that all Encumbrances are Permitted Encumbrances;
- 5.1.10 no Event of Default or Pending Event of Default shall have occurred and be continuing on the Effective Date, or would result from making each Advance to be made on the Effective Date and the Borrower shall have certified the same to the Lenders;
- 5.1.11 to the extent not previously provided pursuant to the Existing Credit Agreement, copies of all Material Contracts and all amendments thereto, if any, of the Restricted Parties certified by the Borrower to be true copies, shall have been delivered to the Agent;
- 5.1.12 payment of amounts of fees and expenses payable to the Agent and Lenders (including payment of the reasonable fees, charges and expenses of Lenders' Counsel), that are due and payable on or before the date this Agreement becomes effective shall have been paid, including, without limitation, all upfront fees payable in connection with the Term Loan Facility agreed upon between the Borrower and the Agent to be paid to the Agent on behalf of the Lenders in accordance with the fee letter between the Agent and the Borrower dated as of January 9, 2014;
- 5.1.13 to the extent not previously provided pursuant to the Existing Credit Agreement, duly executed copies of the Security, shall have been delivered to the Agent, certificates representing all shares and other ownership interests required to be pledged hereunder by the Borrower, the Secured Subsidiaries,

the Required Pledgors and the Third Party Pledgors, if any, shall have been delivered to the Agent (along with stock powers duly executed in blank), all such Security shall have been duly registered, filed and recorded in all Relevant Jurisdictions and the Security and Guarantee Confirmation Agreement shall have been delivered;

- 5.1.14 a currently dated letter of opinion of Borrower's Counsel (with the opinion(s) of local counsel delivered concurrently therewith), with respect to the Borrower, each Secured Subsidiary, each Required Pledgor and each Third Party Pledgor (if any), addressed to the Agent, the Lenders and to Lenders' Counsel, shall have been delivered to the Agent;
- 5.1.15 the Borrower shall have delivered to the Agent certificates of insurance acceptable to the Agent showing the Agent's interest as loss payee and additional insured on all insurance policies that insure the assets to be secured by the Security;
- 5.1.16 there shall not exist or have occurred a Material Adverse Change since August 31, 2013 and a senior officer of the Borrower shall have provided a certificate certifying as to the same;
- 5.1.17 the Lenders shall have received the audited consolidated financial statements of the Borrower for the Fiscal Year ended August 31, 2013 and the unaudited consolidated financial statement of the Borrower for the three month period ended November 30, 2013;
- 5.1.18 a Compliance Certificate, dated as of the last day of the most recently completed fiscal quarter, evidencing compliance with the financial covenants in Section 8.2 shall have been delivered to the Lenders and the Agent;
- 5.1.19 there shall not exist any threatened, instituted or pending action, suit, proceeding or other application before any court or Governmental Authority or other regulatory or administrative agency or commission that challenges the validity or propriety of the transactions contemplated by this Agreement or that could reasonably be anticipated to result in a Material Adverse Change and the Borrower shall have provided a certificate certifying as to the same;
- 5.1.20 the Agent and the Lenders will have received from the Borrower such information and documents as may be required to allow them to comply with Requirements of Law relating to "know your customer" requirements; and
- 5.1.21 the Agent shall have received such additional evidence, documents or undertakings as the Agent shall reasonably request to establish the consummation of the transactions contemplated hereby and be satisfied, acting reasonably, as to the taking of all proceedings in connection herewith in compliance with the conditions set forth in this Agreement.

All documents delivered pursuant to this Section 5.1 shall be in full force and effect, and in form and substance satisfactory to the Agent, acting reasonably.

5.2 Conditions Precedent to all Advances

The obligation of the Lenders to make any Advance is subject to and conditional upon the following conditions precedents being satisfied by the Borrower:

- 5.2.1 the Agent shall have received a timely Advance Notice as required under Section 6.3;
- 5.2.2 except in the case of a Rollover or Conversion of an Advance for no longer than 30 days or one month, as applicable, (a “**Short Term Advance**”), the representations and warranties deemed to be repeated pursuant to Section 7.2 continue to be true and correct as if made on and as of the Drawdown Date and the Borrower shall have provided a certificate to such effect (provided that upon any immediately subsequent Rollover or Conversion of a Short Term Advance, such representations and warranties shall be deemed to be repeated and such certificate shall be provided);
- 5.2.3 except in the case of a Short Term Advance, no Event of Default or Pending Event of Default has occurred and is continuing on the Drawdown Date, or would result from making the Advance and the Borrower shall have provided a certificate to such effect (provided that upon any immediately subsequent Rollover or Conversion of a Short Term Advance, no Event of Default or Pending Event of Default shall have occurred and be continuing and such certificate shall be provided);
- 5.2.4 except in the case of a Short Term Advance, there shall not exist or have occurred a Material Adverse Change, and a senior officer of the Borrower shall have provided a certificate certifying as to the same; and
- 5.2.5 all other terms and conditions of this Agreement that have not been waived upon which the Borrower may obtain an Advance have been fulfilled.

5.3 Waiver

The conditions set forth in Sections 5.1 and 5.2 are inserted for the sole benefit of the Lenders and may be waived by the Lenders, in whole or in part (with or without terms or conditions), in respect of any Advance, Conversion or Rollover without prejudicing the right of the Lenders at any time to assert such conditions in respect of any subsequent Advance, Conversion or Rollover.

ARTICLE 6

ADVANCES

6.1 Prime Rate, U.S. Base Rate and LIBOR Advances

Upon timely fulfilment of all applicable conditions as set forth in this Agreement, the Agent, in accordance with the procedures set forth in Section 6.4, will make the requested amount of a Prime Rate Advance, U.S. Base Rate Advance or LIBOR Advance available to the Borrower under the applicable Credit Facility on the Drawdown Date requested by the Borrower by crediting the Designated Account with such amount. Each Prime Rate Advance or U.S. Base Rate Advance shall be in an aggregate minimum amount of \$5,000,000 or U.S. \$5,000,000, respectively, and in a whole multiple of \$100,000 or U.S. \$100,000, respectively. Each LIBOR Advance shall be in an aggregate minimum amount of U.S. \$5,000,000 and in a whole multiple of U.S. \$1,000,000. The Borrower shall pay interest to the Agent for the account of the Lenders at such address as the Agent designates from time to time on any such Advances outstanding from time to time hereunder at the applicable rate of interest specified in Section 4.1.

Interest on Prime Rate Advances and U.S. Base Rate Advances shall be payable monthly on each Interest Payment Date or on the date of a Rollover or Conversion with another type of Advance. Interest on LIBOR Advances shall be payable on the last day of the applicable LIBOR Period and, if the LIBOR Period is longer than 90 days, on the 90th day after the date of the relevant LIBOR Advance. All interest shall accrue from day to day and shall be payable in arrears for the actual number of days elapsed from and including the date of Advance or the previous date on which interest was payable, as the case may be, to but excluding the date on which interest is payable, or the end of the LIBOR Period, as the case may be, both before and after maturity, default and judgment, with interest on overdue interest at the same rate payable on demand. Overdue interest with respect to a LIBOR Advance shall, upon the expiry of the LIBOR Period applicable to such LIBOR Advance, bear interest, payable on demand, calculated at the rates applicable to U.S. Base Rate Advances.

Interest calculated with reference to the Prime Rate and the U.S. Base Rate shall be calculated monthly on the basis of a year of 365 or 366 days, as the case may be. Interest calculated with reference to the LIBOR Rate shall be calculated on the basis of a year of 360 days for a term equal to the applicable LIBOR Period or, if a LIBOR Period is longer than 90 days, every 90 days and at the end of such LIBOR Period. Each rate of interest which is calculated with reference to a period (the “**deemed interest period**”) that is less than the actual number of days in the calendar year of calculation is, for the purposes of the *Interest Act* (Canada), equivalent to a rate based on a calendar year calculated by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing by the number of days in the deemed interest period.

6.2 Evidence of Indebtedness

The indebtedness of the Borrower resulting from Prime Rate Advances, BA Equivalent Loans, U.S. Base Rate Advances, LIBOR Advances, and Letters of Credit made by the Lenders shall be evidenced by records maintained by the Agent, and by each Lender concerning those

Advances it has made. The Agent shall also maintain records of the indebtedness of the Borrower resulting from Advances by way of Bankers' Acceptances, and each BA Lender shall also maintain records relating to Bankers' Acceptances that it has accepted. The records maintained by each Lender shall constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrower to that Lender in respect of Advances it has made, and all details relating thereto. The failure of the Agent or any Lender to correctly record any such amount or date shall not, however, adversely affect the obligation of the Borrower to pay amounts due hereunder to the Lenders in accordance with this Agreement.

6.3 Notice of Advances and Rollovers

The Borrower shall give the Agent irrevocable written notice, in the form attached as Schedule H to this Agreement (an "**Advance Notice**"), of any request for any Advance under the applicable Credit Facility, except an Advance by way of the issuance of a Letter of Credit which shall be given in the manner specified in Section 6.18 and except in respect of Swingline Advances. The Borrower shall also give the Agent irrevocable written notice of any Rollover of any Advance under a Credit Facility in the form of Schedule H.

Notice shall be given on the second Business Day prior to the date of any Advance or Rollover except that notice shall be given on the third Business Day prior to the date of (i) any proposed LIBOR Advance or Rollover of a LIBOR Advance, and (ii) any proposed Advance by way of Bankers' Acceptances or Rollovers of Bankers' Acceptances. Any permanent reduction of a Credit Facility shall only be effective on three Business Days' notice in the form of Schedule D as required by Sections 3.4 and 3.6.

Notices shall be given not later than 12:00 noon (Toronto time) on the date for notice. Payments (other than those being made solely from the proceeds of Rollovers) must be made prior to 12:00 noon (Toronto time) on the date for payment. If a notice or payment is not given or made by those times, it shall be deemed to have been given or made on the next Business Day, unless all Lenders affected by the late notice or payment agree, in their sole discretion, to accept a notice or payment at a later time as being effective on the date it is given or made.

6.4 Co-ordination of Prime Rate, U.S. Base Rate and LIBOR Advances

Each Lender shall advance its Proportionate Share of each Prime Rate Advance, U.S. Base Rate Advance and LIBOR Advance in accordance with the following provisions:

- 6.4.1 the Agent shall advise each Lender of its receipt of a notice from the Borrower pursuant to Section 6.3, on the day such notice is received and shall, as soon as possible, advise each Lender of such Lender's Proportionate Share of any Advance requested by such notice;
- 6.4.2 each Lender shall deliver its Proportionate Share of the Advance to the Agent not later than 1:00 p.m. (Toronto time) on the Drawdown Date; and
- 6.4.3 when the Agent determines that all the conditions precedent to an Advance specified in this Agreement have been met, it shall advance to the Borrower the amount delivered by each Lender by crediting the Designated Account, but

if the conditions precedent to the Advance are not met by 2:30 p.m. (Toronto time) on the Drawdown Date, the Agent shall return the funds to the Lenders or invest them in an overnight investment for the benefit of the Lenders in the Agent's discretion, acting reasonably, until such time as the Advance is made.

6.5 Power of Attorney Regarding Bankers' Acceptances

In order to facilitate the issuance of Bankers' Acceptances pursuant to this Agreement, the Borrower authorizes each of the BA Lenders to complete and sign drafts on its behalf in handwritten form or by facsimile or mechanical signature or otherwise and, once so completed and signed, to accept them as Bankers' Acceptances under this Agreement and then purchase, discount or negotiate them in accordance with the provisions of this Article 6. Drafts so completed and signed, and negotiated on behalf of the Borrower by any BA Lender shall bind the Borrower as fully and effectively as if those acts were performed by an authorized officer of the Borrower.

6.6 Size and Maturity of Bankers' Acceptances and Rollovers

Each Advance of Bankers' Acceptances shall be in an aggregate amount of not less than \$5,000,000 and in a whole multiple of \$1,000,000 (which minimum amounts shall include BA Equivalent Loans, if applicable), and each Bankers' Acceptance shall be in the amount of \$100,000 or whole multiples thereof. Each Bankers' Acceptance and BA Equivalent Loan shall have a term of 1, 2, 3 or 6 months, but no Bankers' Acceptance may mature on a date which is not a Business Day or on a date which is later than the Revolving Facility Maturity Date or the Term Loan Maturity Date, as applicable. The face amount at maturity of a Bankers' Acceptance may be rolled over.

6.7 Co-ordination of BA Advances

Each Lender shall advance its Proportionate Share of each Advance by way of Bankers' Acceptances in accordance with the provisions set forth below.

- 6.7.1 The Agent, promptly following receipt of an Advance Notice from the Borrower pursuant to Section 6.3, requesting an Advance by way of Bankers' Acceptances, shall (i) advise each BA Lender of the aggregate face amount of the Bankers' Acceptances to be accepted by it and (ii) advise each Non-BA Lender of the face amount of its Notional Bankers' Acceptance. The aggregate face amount of Bankers' Acceptances to be accepted by a BA Lender, and the face amount of the Notional Bankers' Acceptance for each Non-BA Lender, shall be determined by the Agent by reference to the respective Commitments of the Lenders under the Revolving Facility or the Term Loan Facility, as the case may be, except that, if the face amount of a Bankers' Acceptance in the case of a BA Lender or the face amount of the Notional Bankers' Acceptance used to determine the amount of a BA Equivalent Loan in the case of a Non-BA Lender would not be \$100,000 or a whole multiple thereof, the face amount shall be increased or reduced by the Agent in its sole discretion to the nearest whole multiple of \$100,000 provided that the aggregate of all such

amounts increased at any time shall not exceed \$200,000 in the aggregate per Lender. No increase in the face amount of a Bankers' Acceptance or BA Equivalent Loan may have the effect of causing the aggregate amount of a Lender's Advances to exceed such Lender's Commitment under the applicable Credit Facility.

- 6.7.2 Whenever the Borrower requests an Advance that includes Bankers' Acceptances, each Non-BA Lender shall, in lieu of accepting its *pro rata* amount of such Bankers' Acceptances, make available to the Borrower on the Drawdown Date a loan (a "**BA Equivalent Loan**") in Canadian Dollars and in an amount equal to the BA Discount Proceeds of the Bankers' Acceptances (which Bankers' Acceptances are referred to herein collectively as the "**Notional Bankers' Acceptances**") that Non-BA Lender would have been required to accept on the Drawdown Date if it were a BA Lender. Each Non-BA Lender shall also be entitled to deduct from the BA Equivalent Loan an amount equal to the Bankers' Acceptance Fee that would have been applicable to the Notional Bankers' Acceptance had it been a Bankers' Acceptance.
- 6.7.3 Subject to a Marketing Election not having been made pursuant to Section 6.7.4, each Lender shall transfer to the Agent at the Branch of Account for value on each Drawdown Date immediately available Cdn. Dollars in an aggregate amount equal to (i) the BA Discount Proceeds of all Bankers' Acceptances accepted by it on such Drawdown Date (net of the applicable Bankers' Acceptance Fee in respect of such Bankers' Acceptances), or (ii) the amount of each BA Equivalent Loan (net of the applicable Bankers' Acceptance Fee in respect of such BA Equivalent Loan) to be made by it on such Drawdown Date. Provided that no costs in excess of costs associated with payment at the Branch of Account would be incurred by the Borrower or any of the Lenders, the Agent may designate such other offices in Toronto as it may see fit for the purposes referred to in the preceding sentence. The Agent shall make such amounts received by it from the Lenders as aforesaid available to the Borrower by depositing the same for value on the applicable Drawdown Date to the Designated Account.
- 6.7.4 The Borrower may at any time during the term hereof, make a written election to the Agent (the "**Marketing Election**") to market Bankers' Acceptances pursuant to this Section 6.7.4. A Marketing Election shall be irrevocable with respect to any individual Advance by way of Bankers' Acceptance. At no time after making a Marketing Election will the Borrower be entitled to require the Lenders to purchase Bankers' Acceptances by making available to the Agent the BA Discount Proceeds in accordance with Section 6.7.3. In the event that a Marketing Election is made, the Borrower shall:
- (a) advise the Agent forthwith after a sale of Bankers' Acceptances of all particulars of sale for the Lenders who are not Non-BA Lenders, including the term, face amount, yield, price, number and denomination

of drafts and the purchase of such Bankers' Acceptances and, if available, the amount of BA Discount Proceeds derived therefrom;

- (b) after being advised of the particulars of sale referred to in (a) above, the Agent shall advise each of the applicable BA Lenders and Non-BA Lenders of such particulars; and
- (c) the Agent shall advise each of the Non-BA Lenders of the BA Discount Rate, the BA Discount Proceeds and the Bankers' Acceptance Fee on account of their respective Notional Bankers' Acceptances.

6.8 Prohibited Use of Bankers' Acceptances and BA Equivalent Loans

The Borrower shall not enter into any agreement or arrangement of any kind with any person to whom Bankers' Acceptances have been delivered whereby the Borrower undertakes to replace such Bankers' Acceptances on a continuing basis with other Bankers' Acceptances, nor shall the Borrower directly or indirectly take, use or provide Bankers' Acceptances as security for loans or advances from any other person.

6.9 Payment of Bankers' Acceptances and BA Equivalent Loans

The Borrower shall provide for the payment to the Agent at the Branch of Account for the account of the applicable BA Lenders or Non-BA Lenders, as the case may be, of the full face amount of each Bankers' Acceptance and BA Equivalent Loan on the earlier of (i) its date of maturity and (ii) the date on which the Agent, on behalf of the Lenders, gives notice to the Borrower pursuant to Section 10.2.

6.10 Deemed Advance – Bankers' Acceptances

Except for amounts that are paid from the proceeds of Rollovers of a Bankers' Acceptance or BA Equivalent Loan or other Advance hereunder, any amount which a Lender pays to any third party on or after the date of maturity of a Bankers' Acceptance in satisfaction thereof or which is owing to the Lender by the Borrower in respect of such a Bankers' Acceptance or BA Equivalent Loan on or after the date of maturity of such a Bankers' Acceptance or BA Equivalent Loan, shall be deemed to be a Prime Rate Advance to the Borrower under this Agreement. Each Lender shall forthwith give notice of the making of such a Prime Rate Advance to the Agent (which shall promptly give similar notice to the Borrower and the other Lenders). Interest shall be payable on such Prime Rate Advances in accordance with the terms then applicable to Prime Rate Advances.

6.11 Waiver - Bankers' Acceptances

The Borrower shall not claim from a Lender any days of grace for the payment at maturity of any Bankers' Acceptances presented and accepted by the Lender pursuant to this Agreement. The Borrower waives any defence to payment which might otherwise exist if for any reason a Bankers' Acceptance shall be held by a Lender in its own right at the maturity thereof, and the doctrine of merger shall not apply to any Bankers' Acceptance that is at any time held by a Lender in its own right.

6.12 Degree of Care – Bankers’ Acceptances

Any executed drafts to be used as Bankers’ Acceptances which are delivered to a Lender shall be held in safekeeping with the same degree of care as if they were the Lender’s own Property, and shall be kept at the place at which such drafts are ordinarily held by such Lender.

6.13 Indemnity – Bankers’ Acceptances

The Borrower shall indemnify and hold each BA Lender harmless from any loss or expense (other than loss of profit) with respect to any Bankers’ Acceptance dealt with by the Lenders, or any of them, in accordance with the provisions hereof, but shall not be obliged to indemnify a Lender for any loss or expense caused by the negligence or wilful misconduct of that Lender.

6.14 Obligations Absolute – Bankers’ Acceptances

The obligations of the Borrower with respect to Bankers’ Acceptances under this Agreement shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following circumstances:

- (i) any lack of validity or enforceability of any draft accepted by a Lender as a Bankers’ Acceptance; or
- (ii) the existence of any claim, set-off, defence or other right which the Borrower may have at any time against the holder of a Bankers’ Acceptance, a Lender or any other person or entity, whether in connection with this Agreement or otherwise.

6.15 Market Disruption for Bankers’ Acceptances and Prime Rate Advances

6.15.1 If the Majority Lenders, at any time or from time to time, determine that

- (a) in respect of Advances made by way of Bankers’ Acceptance, for any reason (i) a market for bankers’ acceptances does not exist, (ii) 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, (iii) CDOR, (together with any applicable additional percentage as may apply pursuant to the definition of BA Discount Rate), does not adequately and fairly reflect the cost to a Lender of funding such Advances as determined by each such Lender in good faith, or (iv) CDOR is unavailable and cannot be determined, or
- (b) in respect of Advances made by way of Prime Rate Advances that (i) the Prime Rate at such time does not adequately and fairly reflect the cost to a Lender of funding such Advance as determined by such Lender in good faith, or (ii) CDOR is unavailable or cannot be determined,

any of the foregoing in clause (a) or (b), being a “**Market Disruption Event**”, then in any such case, the Agent will promptly so notify the Borrower and each Lender.

6.15.2 After the notification in Section 6.15.1 is given,

- (a) in respect of Advances made by way of Bankers’ Acceptances, the Borrower’s right to request Advances by way of Bankers’ Acceptance shall be and remain suspended until the Majority Lenders determine, acting reasonably, and the Agent notifies the Borrower and each Lender, that either the Market Disruption Event no longer exists or that a substitute BA Discount Rate has been established pursuant to the provisions below in clauses (x) and (y), and
- (b) in respect of Prime Rate Advances, the Prime Rate for all Lenders affected by the Market Disruption Event (the “**Affected Lenders**”), will be the Market Disruption Prime Rate until the Agent notifies the Borrower and each Lender that the Market Disruption Event no longer exists or that a substitute Prime Rate has been established pursuant to the provisions below in clauses (x) and (y).

In addition to the immediately preceding clause (a) and (b) above:

- (x) the Borrower and the Agent will negotiate (for a period of not more than 30 days from the date the Agent notifies the Borrower and each Lender that a Market Disruption Event has occurred) in order to agree on a substitute BA Discount Rate or to determine a substitute Prime Rate, as applicable. Any such substitute rate (which may or may not have recourse to the Market Disruption Prime Rate) agreed upon pursuant to the foregoing sentence will, with the prior consent of each of the Affected Lenders and the Borrower, be binding on all Affected Lenders;
- (y) provided that if no agreement in clause (x) immediately above is reached, the substitute BA Discount Rate or the substitute Prime Rate, as the case may be, will be the rate as notified to the Borrower by each Affected Lender, accompanied by a certificate of such Affected Lender setting out the substitute BA Discount Rate or the substitute Prime Rate, as the case may be, to apply to Advances by way of Bankers Acceptance, and accompanied by reasonable explanations and calculations, provided that such substitute rate will not exceed the average of the relevant rates of Lenders that are not Affected Lenders by more than 1.50%.

6.16 LIBOR Periods

The Borrower may select, by irrevocable notice to the Agent, the LIBOR Period to apply to any particular LIBOR Advance. No LIBOR Period may end on a date which is not a Business Day, or after the later of the Revolving Facility Maturity Date and the Term Loan Maturity Date. The Borrower shall from time to time select and give notice to the Agent of the LIBOR Period for a LIBOR Advance which shall commence upon the making of the LIBOR Advance or at the

expiry of any outstanding LIBOR Period applicable to a LIBOR Advance that is being rolled over. If the Borrower fails to select and give the Agent notice of a LIBOR Period for a LIBOR Advance in accordance with Section 6.3, the Lenders shall be deemed to have made a U.S. Base Rate Advance to the Borrower.

6.17 Termination of LIBOR Advances

6.17.1 If at any time a Lender determines, acting reasonably, (which determination shall be conclusive and binding on the Borrower) that:

- (a) adequate and reasonable means do not exist for ascertaining the LIBO Rate applicable to a LIBOR Advance;
- (b) the LIBO Rate does not adequately reflect the effective cost to the Lender of making or maintaining a LIBOR Advance; or
- (c) it cannot readily obtain or retain funds in the London interbank market in order to fund or maintain any LIBOR Advance or cannot otherwise perform its obligations hereunder with respect to any LIBOR Advance,

then the Lender shall inform the Agent and upon at least four Business Days' written notice by the Agent to the Borrower,

- (d) the right of the Borrower to request LIBOR Advances from that Lender shall be and remain suspended until the Agent notifies the Borrower that any condition causing such determination no longer exists, and
- (e) if the Lender is prevented from maintaining a LIBOR Advance, the Borrower shall, at its option, either repay the LIBOR Advance to that Lender or make a Conversion of the LIBOR Advance into other forms of Advance that are permitted by this Agreement, and the Borrower shall not be responsible for any loss or expense that the Lender incurs as a result, including breakage costs, notwithstanding that such repayment or conversion does not occur on the last day of a LIBOR Period.

6.17.2 If at any time the Agent determines that the LIBO Rate is not determinable pursuant to clause (a) or (b) in the definition of "LIBO Rate", the Agent shall notify the Borrower, and the right of the Borrower to request LIBOR Advances for such period shall be and shall remain suspended until the Agent notifies the Borrower that any condition causing such determination no longer exists. If the Borrower does not advise the Agent of an alternate type of Advance as a substitute for such LIBOR Advance, the Borrower shall be deemed to have elected, or converted into, as the case may be, a U.S. Base Rate Advance.

6.18 Letters of Credit

- 6.18.1 If the Borrower wishes to request that a Letter of Credit be issued under the Revolving Facility, the Borrower will, at the time it delivers an Advance Notice, execute and deliver to the Issuing Lender the Issuing Lender's usual documentation relating to the issuance and administration of letters of credit. In the event of any inconsistency between the terms of such documentation and this Agreement, the terms of this Agreement will prevail.
- 6.18.2 Each Lender that has a Commitment under the Revolving Facility (each reference to a Lender in this Section 6.18 being to such a Lender only) will be deemed to have purchased, without recourse, a participation from the Issuing Lender, in each Letter of Credit issued by the Issuing Lender, in each case equal to such Lender's Proportionate Share of each such Letter of Credit. Each such Lender will indemnify and save harmless the Issuing Lender based on its Proportionate Share against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, payments or disbursements of any and every kind or nature whatsoever that may be imposed on, made or incurred by or asserted against the Issuing Lender in any way related to or arising out of any issuance of a Letter of Credit by the Issuing Lender (including any payment made under any such Letter of Credit and any Prime Rate Advance deemed to have been made available by the Issuing Lender pursuant to Section 6.18.6), except for any such liabilities resulting from the gross negligence or wilful misconduct of the Issuing Lender.
- 6.18.3 Each Letter of Credit issued by the Issuing Lender will be in a form and on such terms as determined by the Issuing Lender in its sole and unfettered discretion.
- 6.18.4 No Letter of Credit may be issued for a period in excess of 365 days or beyond the Revolving Facility Maturity Date.
- 6.18.5 If, at any time, a demand for payment (the amount so demanded being herein referred to as a "**relevant amount**") is made under any Letter of Credit and notification thereof is given by the Issuing Lender to the Agent, then:
- (a) the Agent will
 - (i) promptly notify the Borrower and each of the Revolving Facility Lenders of such demand, and
 - (ii) make demand on each Revolving Facility Lender for an amount equal to its Proportionate Share of the relevant amount;
 - (b) on the second Business Day following the date of the demand made by the Agent under (a) above, each Revolving Facility Lender will pay to the Agent the amount demanded of it pursuant to (a)(ii) above; and

- (c) the Agent will pay the relevant amount to the Issuing Lender and the Issuing Lender will pay the relevant amount together with the balance of the amount demanded to the Person entitled thereto on the date upon which the relevant amount becomes payable under the Letter of Credit or as soon as possible thereafter.
- 6.18.6 The Borrower will be deemed to have requested a Prime Rate Advance in an amount equal to the sum of the relevant amount and all charges and expenses incurred by the Issuing Lender and the other Revolving Facility Lenders in connection with payment under the Letter of Credit.
- 6.18.7 The Borrower hereby undertakes to indemnify and hold harmless the Agent, the Issuing Lender and each of the Revolving Facility Lenders from time to time on demand by the Agent from and against all liabilities and costs (including any costs incurred in funding any amount that falls due from the Issuing Lender or any other Revolving Facility Lender under any Letter of Credit hereunder) to the extent that such liabilities or costs are not satisfied or compensated by the payment of interest on sums due pursuant to this Agreement in connection with any Letter of Credit except where such liabilities or costs result from the gross negligence or wilful misconduct of the Person claiming indemnification.
- 6.18.8 The Issuing Lender will at all times be entitled, and is irrevocably authorized by the Borrower, to make any payment under a Letter of Credit for which a request or demand has been made in the required form without any further reference to the Borrower and any investigation or enquiry, need not concern itself with the propriety or validity of any claim made or purported to be made under the terms of such Letter of Credit (except as to compliance with the payment conditions of such Letters of Credit) and will be entitled to assume that any Person expressed in such Letter of Credit as being entitled to make demand or receive payments thereunder is so entitled. Accordingly, so long as a request or demand has been made as aforementioned, it will not be a defence to any demand made of the Borrower hereunder, nor will the obligations of the Borrower hereunder be impaired by the fact (if it be the case) that the Issuing Lender was or might have been justified in refusing payment, in whole or in part, of the amounts so claimed.
- 6.18.9 A certificate of the Agent or the Issuing Lender or both of them as to the amounts paid by any Revolving Facility Lender pursuant to this Section for the amount paid under any Letter of Credit will, in the absence of manifest error, be *prima facie* evidence of the existence and amount of such payment in any legal action or proceeding arising out of or in connection herewith.
- 6.18.10 While any Letter of Credit is outstanding, the Borrower will pay to the Agent, for the benefit of the Issuing Lender, the Letter of Credit Fee. Letter of Credit Fees, less a fronting fee calculated with respect to each Letter of Credit in the same manner as Letter of Credit Fees but at a fixed rate of [redacted text]% per

annum payable to the Issuing Lender only, shall be promptly distributed by the Agent to the Revolving Facility Lenders based on their respective Proportionate Share of the Revolving Facility.

- 6.18.11 If any Letter of Credit is outstanding upon the occurrence of an Event of Default or on the Revolving Facility Maturity Date, the provisions of Sections 10.2 and 10.3 will apply.
- 6.18.12 The obligations of the Borrower with respect to Letters of Credit will be unconditional and irrevocable, and must be paid or performed strictly in accordance with the terms of this Agreement under all circumstances, including the following circumstances:
- (a) any lack of validity or enforceability of any Credit Document or the Letters of Credit;
 - (b) any amendment or waiver of or any consent to or actual departure from this Agreement;
 - (c) the existence of any claim, set-off, defence or other right which the Borrower may have at any time against any beneficiary or any transferee of a Letter of Credit (or any Persons for which any such beneficiary or any such transferee may be acting), the Issuing Lender or any other Person or entity, whether in connection with this Agreement, the transactions contemplated herein or in any other agreements or any unrelated transactions;
 - (d) any document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect except for non-compliance with the payment conditions of such Letter of Credit; or
 - (e) any other circumstance whatsoever, whether or not similar to any of the foregoing.
- 6.18.13 At the option of the Issuing Lender, either the *Uniform Customs and Practice* for documentary credits or *International Standby Practices*, each published by the International Chamber of Commerce, current on the issue of each Letter of Credit will be binding on the Borrower, the Lenders and the Issuing Lender with respect to each such Letter of Credit. The Borrower assumes all risks of the acts or omissions of the beneficiary of each Letter of Credit with respect to such Letter of Credit. In furtherance of, and not in limitation of, the Issuing Lender's rights and powers under such *Uniform Customs and Practice* or *International Standby Practices*, as applicable, but subject to all other provisions of this Section, it is understood that the Issuing Lender will not have any liability for, and that the Borrower assumes all responsibility for: (i) the genuineness of any signature, (ii) the form, validity, genuineness, falsification and legal effect of any draft, certification or other document required by a

Letter of Credit or the authority of the Person signing the same, (iii) the failure of any instrument to bear any reference or adequate reference to a Letter of Credit or the failure of any Person to note the amount of any instrument on the reverse of a Letter of Credit or to surrender a Letter of Credit, (iv) the good faith or acts of any Person other than the Issuing Lender and its agents and employees, (v) the existence, form or sufficiency or breach or default under any agreement or instrument of any nature whatsoever, (vi) any delay in giving or failure to give any notice, demand or protest, and (vii) any error, omission, delay in or nondelivery of any notice or other communication, however sent. The determination as to whether the required documents are presented prior to the expiration of a Letter of Credit and whether such other documents are in proper and sufficient form for compliance with a Letter of Credit will be made by the Issuing Lender in its sole discretion, which determination will be conclusive and binding upon the Borrower absent manifest error. It is agreed that the Issuing Lender may honour, as complying with the terms of a Letter of Credit and this Agreement, any documents otherwise in order and signed or issued by the beneficiary thereof. Any action, inaction or omission on the part of the Issuing Lender under or in connection with any Letter of Credit or any related instrument or document, if in good faith and in conformity with such laws, regulations or commercial or banking customs as the Issuing Lender may reasonably deem to be applicable, will be binding upon the Borrower, and will not affect, impair or prevent the vesting of any of the Issuing Lender's rights or powers hereunder or the Borrower's obligation to make full reimbursement of amounts drawn under the Letters of Credit. Notwithstanding the provisions of this Section, the Borrower will not be responsible, and no Person will be relieved of responsibility, for any gross negligence or wilful misconduct of such Person.

6.19 Rollovers and Conversions Not Repayment

A Rollover or Conversion hereunder shall not constitute a repayment and re-advance of an Advance, but shall only reflect a change in the rate or method of calculating interest, or the currency of an outstanding Advance, or both. Conversions are only permitted pursuant to Sections 6.17.1(e) and 6.17.2.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties

The Borrower represents and warrants to the Lenders and the Agent that:

- 7.1.1 Corporate Status – each Restricted Party is duly incorporated or formed and is validly existing under the laws of the jurisdiction of its incorporation or formation and has the power and authority to enter into and perform its obligations under the Credit Documents to which it is a party;

- 7.1.2 Corporate Authority – each Restricted Party has the corporate power and authority to own its assets and Property and to conduct the businesses in which it is currently engaged;
- 7.1.3 Duly Licensed – each Restricted Party is duly licensed, registered or qualified in all jurisdictions where the character of its assets and Property owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary or desirable, except where failure to do so would not result in a Material Adverse Change;
- 7.1.4 Ownership of Secured Subsidiaries – as of the date set forth on Schedule I, except as set forth in Schedule I or as consented to by the Majority Lenders, it or a Secured Subsidiary owns all of the issued and outstanding shares of each other Secured Subsidiary;
- 7.1.5 Regulatory Approvals - no Restricted Party requires any Permits, CRTC Licences or CRTC Approvals to enter into and perform its respective obligations under any Credit Document, or to conduct the business in which such Restricted Party is currently engaged, other than the Permits, CRTC licenses and CRTC Approvals currently held, all of which are in good standing in all material respects;
- 7.1.6 Valid Authorization - the entering into and the performance of the Credit Documents by each of the Borrower, each Secured Subsidiary and each Required Pledgor (i) have been duly authorized by all necessary corporate action on the part of such Restricted Party, (ii) do not, and will not, violate the Constatng Documents of such Restricted Party, any Requirement of Law, or any resolutions passed by the board of directors or shareholders of such Restricted Party, (iii) do not, and will not, result in a breach of, or constitute a default under, any of the Material Contracts or Permits of such Restricted Party and (iv) do not result in any Encumbrances other than Permitted Encumbrances;
- 7.1.7 No Restrictions - its Constatng Documents do not contain restrictions on the power of its directors to borrow money; and the Constatng Documents of the Secured Subsidiaries and the Required Pledgors do not contain any restrictions on their power to grant guarantees of indebtedness or grant Security therefor;
- 7.1.8 Validity of Credit Documents and Enforceability - the Credit Documents have been duly executed and delivered and constitute legal, valid and binding obligations enforceable against the Borrower, the Secured Subsidiaries and the Required Pledgors that are parties thereto in accordance with their respective terms and, where applicable, constitute legal, valid and enforceable security upon the assets to be Encumbered thereby, subject only to Permitted Encumbrances and applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally;

- 7.1.9 Absence of Litigation - as of the date of execution of this Agreement, there are no litigation, arbitration or administrative proceedings outstanding and, to the knowledge of the Restricted Parties, after having made reasonable inquiry, there are no proceedings pending or threatened, against the Restricted Parties or any predecessor of any of them which can reasonably be expected to result in a judgment or award against the Restricted Parties that would reasonably be expected to result in a Material Adverse Change other than as disclosed on Schedule J;
- 7.1.10 No Event of Default or Pending Event of Default - no Event of Default or Pending Event of Default has occurred and is continuing;
- 7.1.11 No Violation – to the knowledge of the Restricted Parties, after having made reasonable inquiry, none of the Restricted Parties as of the date of execution of this Agreement, is in violation of any term of its Constatting Documents, any Requirement of Law, any of its Material Contract or Permit, the violation of which would result in a Material Adverse Change;
- 7.1.12 Financial Position – each of the quarterly and annual financial statements that have been furnished to the Agent and the Lenders, or any of them, in connection with this Agreement are complete in all material respects and fairly present its financial position as of the dates referred to therein and have been prepared in accordance with GAAP;
- 7.1.13 No Liabilities –no Restricted Party has material liabilities (contingent or other) or other obligations of the type required to be disclosed in accordance with GAAP which are not fully disclosed in its audited financial statements for the Fiscal Year ended August 31, 2013 or such dates audited financial statements delivered pursuant hereto or otherwise disclosed in writing to the Agent and the Lenders;
- 7.1.14 Non-Default Under Debt Obligations or Encumbrances – no Restricted Party is in default in any material respect under any of the Debt obligations or under any Encumbrances relating to it;
- 7.1.15 Title to Property – each of the Borrower and the Secured Subsidiaries has, or when it executes and delivers the Security will have, in the case of real Property, good and marketable title to such Property, or, in the case of leasehold interests, a valid leasehold title to such Property, and when it executes and delivers the Security will be, the owner or lessee of, the assets and Property that are material to the applicable Restricted Party and are subject to the Security free and clear of any Encumbrance (subject to Permitted Encumbrances) on any such assets and Property and no Person has any agreement or right to acquire any interests in such assets and Property except pursuant to such Restricted Party's Material Contracts or a transaction which such Restricted Party is permitted to enter into pursuant to Section 8.4.4; the Borrower, the Secured Subsidiaries and the Required Pledgors own all of the

ownership interests pledged by each of them hereunder and when each executes and delivers the Security, such ownership interests will be, free and clear of any Encumbrance on such pledged ownership interests and no Person has any agreement or right to acquire any interests in such pledged ownership interests except pursuant to the Material Contracts of such Restricted Parties or a transaction to which such Restricted Party is permitted to enter into pursuant to Section 8.4.4.;

- 7.1.16 Taxes – each Restricted Party has filed or caused to be filed all federal, provincial, local and foreign returns, filings, elections and reports which to its knowledge are required to be filed by it in respect of all Taxes and has paid or caused to be paid all Taxes as may be required by law and in accordance with any assessment or demand for payment received by it to the extent that such Taxes have become due, except such Taxes (i) as do not exceed \$5,000,000 in aggregate, provided such Taxes are paid within 30 days from having become due, and (ii) as to which a *bona fide* dispute exists and which are being diligently contested in good faith and by appropriate proceedings and for which adequate reserves are being maintained and such Taxes do not give rise to an Encumbrance which does not constitute a Permitted Encumbrance. Each Restricted Party has withheld and remitted all amounts required to be withheld by it (including income tax, Canada Pension Plan, employment insurance and other Taxes) from all payments made to its officers and employees, to all non-residents and to all other Persons with respect to whom it is required to withhold any amounts and has paid these amounts, together with any interest and penalties due, to the appropriate authority on a timely basis and in the form required by applicable law;
- 7.1.17 Security - no further action is necessary on the part of the Borrower, the Secured Subsidiaries or the Required Pledgors in order to establish, preserve, and perfect the Encumbrances created or intended to be created by the Security granted as of the date this representation and warranty is being made, and the Security granted as of the date this representation and warranty is made is enforceable as such against the Property charged thereby, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally;
- 7.1.18 Subsidiaries - as of the date set forth on Schedule I, the organizational chart set out in Schedule I accurately lists all Subsidiaries of the Borrower and accurately describes the percentage interest in the issued and outstanding capital of each;
- 7.1.19 Real Property - attached hereto as Schedule L is a true and correct list of all material real Property owned or leased by the Restricted Parties at the date hereof;
- 7.1.20 Intellectual Property Rights – each Restricted Party has rights sufficient for it to use all the intellectual property and patents, patent applications, trade-marks,

trade-mark applications, trade names, service marks, copyrights, industrial designs, technology and other similar intellectual property rights reasonably necessary for the conduct of its business, all of which patents, trade-marks or industrial designs have been either registered or in respect of which a registration application has been filed by the Restricted Party except where the failure to do so could not reasonably be expected to result in a Material Adverse Change. To the knowledge of the Borrower, neither it nor any of the other Restricted Parties is infringing or is alleged to be infringing the intellectual property rights of any other Person where such infringement could reasonably be expected to result in a Material Adverse Change;

- 7.1.21 Material Contracts - attached hereto as Schedule M is a true and complete list of all the Material Contracts applicable to the Restricted Parties as of the date hereof; all consents necessary to the granting of the security interest by the Borrower and the Secured Subsidiaries in their respective Material Contracts, if any, and to the assignment of such Material Contracts upon the occurrence of an Event of Default have been obtained;
- 7.1.22 Licensed Software - each of the Restricted Parties owns or has licensed for use all of the Software now used in conducting the businesses of the Restricted Parties except where failure to do so could not reasonably be expected to result in a Material Adverse Change. All Computer Equipment owned by or used by the Restricted Parties has been properly maintained and is in good working order for the purposes of an on-going operation, subject to ordinary wear and tear for Computer Equipment of comparable age;
- 7.1.23 Environmental - the business and assets of the Restricted Parties are being operated in substantial compliance with applicable Requirements of Environmental Laws. To the best of the knowledge of the Restricted Parties after reasonable inquiry, there are no breaches thereof and no enforcement actions in respect thereof are threatened or pending (except as disclosed in Schedule K to this Agreement), which, in any such case, would reasonably be expected to result in a Material Adverse Change;
- 7.1.24 Disclosure - there is no fact that has not been disclosed to the Agent and the Lenders in writing that could reasonably be expected to result in a Material Adverse Change;
- 7.1.25 GAAP - all accounting systems are maintained and financial records of the Restricted Parties are prepared in accordance with GAAP;
- 7.1.26 Ownership Interests - all Secured Subsidiaries, Required Pledgors, Material Entities and Excluded Subsidiaries have been identified as such (i) prior to the date of the delivery of the first certificate under Section 8.3.4, on Schedule Q and (ii) thereafter, on the most recent certificate delivered pursuant to Section 8.3.4, as the same may have been modified by a notice in writing given pursuant to the definition of "Secured Subsidiary" that a Subsidiary that was

previously designated as a Secured Subsidiary, has ceased to be a Secured Subsidiary;

- 7.1.27 Former Names - all former and predecessor names of the Borrower, each Secured Subsidiary and any each Required Pledgor, since February 11, 2010, as at the date hereof, are listed on Schedule N, except to the extent set forth therein; and
- 7.1.28 Ownership of Borrower - the Family Group owns at least 50.1% of the Voting Shares of the Borrower.

7.2 Survival of Representations and Warranties

Unless expressly stated to be made as of a specific date, the representations and warranties made in this Agreement shall survive the execution of this Agreement and all other Credit Documents, and shall be deemed to be repeated as of the date of each Advance (including any deemed Advance but excluding a Swingline Advance) other than any Rollover or Conversion of an Advance for a period not exceeding 30 days or one month, as applicable (provided that upon any immediately subsequent Rollover or Conversion of such Advance, such representations and warranties shall be deemed to be repeated), and as of the date of delivery of each Compliance Certificate, subject to modifications made by the Borrower to the Lenders in writing and accepted by the Majority Lenders. The Lenders shall be deemed to have relied upon such representations and warranties at each such time as a condition of making an Advance (other than any Rollover or conversion of an Advance for a period not exceeding 30 days or one month, as applicable, provided that upon any immediately subsequent Rollover or Conversion of such Advance, such representations and warranties shall be deemed to be repeated) hereunder.

ARTICLE 8

COVENANTS

8.1 Positive Covenants

For so long as any Obligation (other than a Hedge Obligation) is outstanding or the Credit Facilities, or either of them, are available, the Borrower shall and shall ensure that each other Restricted Party shall:

- 8.1.1 Punctual Payment - duly and punctually pay the Obligations at the times and places and in the manner required by the terms thereof;
- 8.1.2 Conduct of Business - operate its business in substantial compliance with all applicable Requirements of Law, all of its material Permits, all of its Material Contracts, all CRTC Licences and all CRTC Approvals;
- 8.1.3 Further Assurances - use reasonable efforts to provide the Agent and the Lenders with such other documents, opinions, consents, acknowledgements and agreements as are reasonably necessary to implement this Agreement and the other Credit Documents from time to time;

- 8.1.4 Insurance - maintain insurance on all its Property (showing the Agent as an additional insured) with financially sound and reputable insurance companies or associations including all-risk property insurance, comprehensive general liability insurance and business interruption insurance, in amounts and against risks that are determined to be appropriate by the Restricted Party acting prudently, furnish to the Agent, on written request, but in any event annually, satisfactory evidence of the insurance carried and notify the Agent of any claim the Restricted Party makes under the foregoing insurance policies that is in excess of \$30,000,000;
- 8.1.5 Regulatory Approvals, Permits and Approvals - obtain, as and when required, and maintain in good standing all CRTC Licences and CRTC Approvals, and all of its other material Permits and all of its Material Contracts;
- 8.1.6 Taxes - file or cause to be filed all federal, provincial, local and foreign returns, filings, elections and reports which are required to be filed by it in respect of all Taxes, and shall pay or cause to be paid all Taxes as may be required by law and in accordance with any assessment or demand for payment received by the Restricted Party as and when such Taxes become due and payable (and provide evidence of payment if so requested by the Agent) except (i) such Taxes as do not exceed \$5,000,000 in aggregate, provided such Taxes are paid within 30 days from having been due and payable, and (ii) when and so long as the validity of any such Taxes is the subject of a *bona fide* dispute and is being contested diligently and in good faith by the Restricted Parties and where the relevant Restricted Party maintains adequate reserves for such Taxes and such Taxes do not give rise to an Encumbrance which is not a Permitted Encumbrance, and shall from time to time withhold or cause to be withheld and remitted all amounts required to be withheld (including income tax, Canada Pension Plan, employment insurance and other Taxes) from all payments made to officers and employees or to non-residents and to all other applicable Persons and shall pay or cause to be paid these amounts, together with any interest and penalties due, to the appropriate authority on a timely basis and in the form required by applicable law;
- 8.1.7 Notice of Event of Default or Pending Event of Default - promptly notify the Agent of any Event of Default or Pending Event of Default of which it becomes aware, using reasonable diligence;
- 8.1.8 Notice of Material Adverse Change - promptly notify the Agent of any Material Adverse Change of which it becomes aware, using reasonable diligence, and from time to time provide the Agent with all reasonable information requested by the Agent concerning the status thereof;
- 8.1.9 Notice of Litigation - promptly notify the Agent on becoming aware of the occurrence of any litigation, dispute, arbitration, proceeding or other circumstance which can reasonably be expected to result in a judgment or award against the Restricted Party that would reasonably be expected to result

in a Material Adverse Change and from time to time provide the Agent with all information reasonably requested by the Agent concerning the status thereof;

- 8.1.10 Environmental - promptly notify the Agent upon (i) learning of the existence of Hazardous Materials located on, above or below the surface of any land which any Restricted Party occupies or controls (except those being stored, used or otherwise handled in substantial compliance with applicable Requirements of Environmental Law), or contained in the soil or water constituting such land and (ii) the occurrence of any release, spill, leak, escape, emission, discharge, leaching, dumping or disposal of Hazardous Materials reportable pursuant to applicable Requirements of Environmental Law that has occurred on or from such land which, as to either (i) or (ii) above, would result in a Material Adverse Change;
- 8.1.11 Hedges - maintain a sound and fiscally responsible hedging program for interest risk management and foreign exchange fluctuations;
- 8.1.12 Mark to Market Threshold – if the Aggregate Mark to Market Exposure Amount of the Borrower and the Secured Subsidiaries at any time exceeds \$55,000,000, the Borrower will take or cause to be taken such actions, within 5 Business Days, as are required (including repricing hereunder if necessary) to reduce such Aggregate Mark to Market Exposure Amount to an amount that is less than \$55,000,000 unless the Borrower irrevocably elects on a one time basis, with effect until the later of the Revolving Facility Maturity Date and the Term Loan Maturity Date, to include the full Aggregate Mark to Market Exposure Amount in the calculation of Total Debt for purposes of calculating the Total Debt to Cash Flow Ratio (the “**Mark to Market Exposure Amount Election**”);
- 8.1.13 Access to Information - promptly provide the Agent with all information reasonably requested by the Agent for and on behalf of the Lenders from time to time concerning its financial condition and Property, and during normal business hours and from time to time upon reasonable notice, permit representatives of the Agent and the Lenders to inspect any of its Property, or the Property of any Restricted Party, and to examine and take extracts from its financial books, accounts and records and those of the Restricted Parties, including but not limited to accounts and records stored in computer data banks and computer software systems, and to discuss its financial condition and that of the Restricted Parties with the Borrower’s senior officers and (in the presence of such of its representatives as it may designate) its auditors (the reasonable expense of all of which shall be paid by the Borrower in respect of one inspection by the Agent in any year, or such greater number as the Agent shall require following the occurrence of a Pending Event of Default or an Event of Default which is continuing), provided that the Agent’s and the Lenders’ exercise of their rights under this paragraph is not more frequent than is reasonably necessary and does not unreasonably interfere with the operations of the Restricted Parties;

- 8.1.14 Accounting Policies and Practices – except as otherwise provided in the definitions of Cash Flow, Interest Expense, Net Income, Proforma Financial Statements, Total Debt and Section 8.3.5, ensure that all accounting policies, practices and calculation methods of the Restricted Parties shall be in accordance with GAAP; and
- 8.1.15 Acquisition/Disposition Accounting Information - in connection with an Acquisition or disposition of a Restricted Party or operating assets comprising a business or division of a Person, provide the Agent with Acquisition/Disposition Accounting Information applicable thereto in order for the Agent to verify financial results for the purpose of determining Cash Flow and Interest Expense with respect thereto.

8.2 Financial Covenants

For so long as any Obligation (other than a Hedge Obligation) is outstanding or the Credit Facilities, or either of them, are available hereunder, the Borrower shall ensure that its:

- (i) Total Debt to Cash Flow Ratio is not greater than 4.0:1.0; and
- (ii) Cash Flow to Interest Expense Ratio is not less than 2.0:1.0.

Notwithstanding the foregoing, upon completion of an Acquisition that is permitted hereunder, the Borrower may, by notice in writing to the Agent (a “**Step-up Election**”), increase the Total Debt to Cash Flow Ratio up to 4.5:1.0 respectively for the four immediately ensuing fiscal quarters provided that:

- (a) the Total Debt to Cash Flow Ratio would not have been in excess of the otherwise applicable ratio had such Acquisition not occurred and the Borrower will provide information reasonably requested by the Lenders including with respect to Cash Flow attributable to the Acquisition and will certify as to the foregoing in the next following Compliance Certificate delivered pursuant to Section 8.3.3 hereof; the Borrower shall provide the Agent with sufficient information to determine Cash Flow attributable to the Acquisition in the Compliance Certificate required to be delivered in respect of the fiscal quarter in which such Acquisition occurred;
- (b) once a Step-up Election has been invoked, a Step-up Election is available again only if the Total Debt to Cash Flow Ratio is less than the otherwise applicable ratio set out in Section 8.2(i) for the two fiscal quarters that immediately precede the proposed later Step-up Election; and
- (c) the Applicable Margin in respect of Advances will be increased by [redacted text]% per annum at all times during the four fiscal quarters following the invocation of a Step-Up Election.

8.3 Reporting Requirements

For so long as any Obligation (other than a Hedge Obligation) is outstanding or the Credit Facilities, or either of them, are available hereunder, the Borrower shall:

- 8.3.1 Quarterly Reports - as soon as practicable and in any event within 60 days of the end of each of its fiscal quarters (including the fourth quarter), cause to be prepared and delivered to the Agent as at the end of such quarter, the consolidated unaudited financial statements of the Borrower, including its balance sheet, cash flow statement and statement of income, which shall be prepared in accordance with GAAP;
- 8.3.2 Annual Reports - as soon as practicable and in any event within 120 days after the end of each Fiscal Year, cause to be prepared and delivered to the Agent, the audited consolidated financial statements of the Borrower prepared in accordance with GAAP, including cash flow statement, balance sheet and statement of income for such Fiscal Year;
- 8.3.3 Compliance Certificate - concurrently with the delivery of its financial statements referred to in Sections 8.3.1 and 8.3.2 above, provide the Agent with a Compliance Certificate which will include details of its Hedge Agreements and which certificate will be prepared such that amounts in respect of Total Debt, Cash Flow and Interest Expense can be calculated in accordance with the definitions of such terms as set out in Section 1.1;
- 8.3.4 Subsidiaries, Real Property and Material Contracts - concurrently with the delivery of its financial statements referred to in Section 8.3.1 and 8.3.2 above, provide to the Agent, a certificate of the Borrower setting out (i) all Subsidiaries based on the consolidated financial statements of the Borrower for the immediately preceding period and identifying which of such Subsidiaries are Secured Subsidiaries, Required Pledgors, Restricted Parties, Material Entities and Excluded Subsidiaries (but which will only be required to be delivered in connection with delivery of the financial statements referred to in Section 8.3.2), (ii) any Person that has become a Secured Subsidiary, Required Pledgor, Third Party Pledgor, Excluded Subsidiary or otherwise a Subsidiary since the date of the last such certificate, (iii) any Person acquired by the Borrower or a Subsidiary or any Investment made by a Borrower or a Subsidiary thereof since the effective date of the last such certificate if the shares of such Person or the Investment represent 5% or more of the Borrower's Total Assets, (iv) a list of any Material Contracts of the Restricted Parties entered into since the effective date of the last such certificate, and (v) an updated Schedule E, I and L (but which shall only be required to be delivered in connection with delivery of the financial statements referred to in Section 8.3.2); provided that the Borrower may deliver a certificate under this Section 8.3.4 in form and substance satisfactory to the Agent, at any time prior to the date the next certificate is required to be delivered under this Section 8.3.4 for the purposes of designating a Person a Secured Subsidiary or an

Excluded Subsidiary if such Person has become a Secured Subsidiary or an Excluded Subsidiary, as applicable, since the date of the last certificate;

- 8.3.5 Financial Projections - (i) 30 days prior to the end of each Fiscal Year, provide the Agent with updated financial projections for the following Fiscal Year including cash flow statement, a balance sheet, income statement and statement of changes in financial position, and a detailed capital budget, and (ii) as soon as practicable but in any event within 120 days after the end of each Fiscal Year, provide the Agent with updated financial projections for all Fiscal Years up to and including the Fiscal Year that ends after the later of the Revolving Facility Maturity Date and the Term Loan Maturity Date including source and application of funds;
- 8.3.6 Notification Respecting Debt - promptly notify the Agent of any waiver of any material terms of any agreement respecting Debt in excess of \$30,000,000 of the Restricted Parties;
- 8.3.7 Notification of Actions re: Debt - promptly notify the Agent of any action taken by any creditor (other than the Lenders) to recover amounts outstanding respecting Debt in excess of \$30,000,000 of the Borrower or any of its Subsidiaries;
- 8.3.8 Other Information - promptly provide the Agent on behalf of the Lenders with such other information as it may reasonably request respecting the Borrower or any Subsidiary thereof or, to the extent that the Borrower is not prevented from providing such information by contract or undertaking entered into with or provided to any other Person, respectively, any other Person in which the Borrower or any Subsidiary thereof has any financial interest provided that the Agent agrees to maintain the confidentiality of all information it receives in accordance with usual requirements of banker/customer confidentiality and does not disclose or use it except for the purposes of the Credit Documents;
- 8.3.9 Notice of Press Releases - without limiting the generality of Section 8.3.8, promptly provide the Agent (or advise the Agent of the posting of same on SEDAR) with each material change report and press release it files with any of the Canadian securities regulatory authorities and each information circular, annual report or similar document that it provides to its shareholders generally; and
- 8.3.10 Notification of Hedge Agreements - within five Business Days of entering into a Hedge Agreement, provide to the Agent copies of all trade confirmations in respect thereof, provided that the Agent treats such trade confirmations in accordance with the requirements for Information set out in Section 15.1,

ensuring, in the case of Sections 8.3.1 to 8.3.9 inclusive (except Sections 8.3.6 and 8.3.7), that the Agent is provided with sufficient quantities for each of the Lenders and the Agent. All

information provided pursuant to Section 8.3 will be in form and scope acceptable to the Lenders, acting reasonably.

8.4 Negative Covenants

During the term of this Agreement, the Borrower shall not, and shall not permit any Restricted Party (except to the extent a negative covenant in this Section 8.4 explicitly does not apply to such Restricted Party) to do any of the following, without the prior written consent of the Majority Lenders:

- 8.4.1 No Encumbrances - create, incur, assume or permit to exist any Encumbrance upon any of its Property except Permitted Encumbrances;
- 8.4.2 No Debt - create, incur, assume or permit any Debt to remain outstanding, other than Permitted Debt;
- 8.4.3 No Consolidation, Amalgamation, Liquidation, Winding-Up, Dissolution, etc. – (A) consolidate, amalgamate or merge with any other Person, except (a) with one or more Secured Subsidiaries, (b) as between one or more Restricted Parties (none of which are the Borrower, a Secured Subsidiary or a Material Entity), and (c) as between one or more Secured Subsidiaries and one or more Restricted Parties, or (B) liquidate, wind-up or dissolve itself; provided that no such event in (A) or (B) and no corporate reorganization or other transaction or series of transactions intended to effect or otherwise permit a change in a Restricted Party's existing corporate or capital structure shall be permitted if (i) such event may result in the assets of the Restricted Party becoming subject to an Encumbrance ranking prior to or *pari passu* with the Security (other than a Permitted Encumbrance), or (ii) immediately after completion of such event and giving full effect thereto, a Pending Event of Default or Event of Default shall exist; and provided further, for clarity, that upon any consolidation, amalgamation or merger of the Borrower with any other Restricted Party, the resulting or surviving Person must be the Borrower and provided further that upon the consolidation amalgamation or merger of a Secured Subsidiary with any Restricted Party (other than the Borrower), the resulting or surviving entity will be a Secured Subsidiary (without prejudice to the Borrower's right thereafter to undesignate the same as such in accordance with the terms hereof);
- 8.4.4 Sale of Assets – (i) grant a licence or rights to use, publish, broadcast or otherwise exploit any Programming (other than to the Borrower or a Secured Subsidiary or other than pursuant to a Permitted Licensing Disposition), or (ii) sell, transfer, assign, or otherwise dispose of Property (other than to the Borrower or a Secured Subsidiary or other than as set out in clause (i) above), (in each case in clause (i) or (ii) above, a “**Disposition**”), in any Fiscal Year, except Dispositions of Property that have generated less than 15% of the Borrower's Cash Flow for the preceding 12 months or represent 15% or less of Total Assets so long as:

- (a) the Disposition of such Property is at fair market value, being the value which would be obtained in an arm's length (as defined in the Tax Act) transaction;
- (b) no Pending Event of Default or Event of Default exists or would result as a consequence thereof; and
- (c)
 - (i) the proceeds of such Disposition are reinvested in a Core Business within 18 months of such Disposition (or the Restricted Party has entered into a binding and enforceable written agreement to effect such reinvestment and is Diligently Proceeding to close the transaction contemplated by such agreement), or
 - (ii) the Borrower makes an offer to apply the proceeds of the Disposition to repay outstanding Advances and such repayment is applied in accordance with Section 3.5;

provided, however, that,

- A. the Restricted Parties shall be permitted to make Dispositions up to an aggregate amount of \$30,000,000 in any Fiscal Year without complying with this Section 8.4.4; and
- B. where a Restricted Party has, as part of the transactions contemplated by a Disposition, acquired Property to be used in a Core Business (the "**Swapped Assets**") only the amount, if any, by which the Cash Flow generated by or value attributed to the Property sold, transferred, assigned or disposed of exceeds the Cash Flow or value attributed to the Swapped Assets shall be taken into account in determining whether the 15% thresholds above have been exceeded;

8.4.5 Investments – make any Investment (other than (i) Investments existing at the date hereof, (ii) Investments in Cash Equivalents that are made when no Event of Default or Pending Event of Default has occurred and is continuing or would result as a consequence of making such Investment, (iii) an Acquisition of shares, bonds, notes or debentures of a Secured Subsidiary, and (iv) an Acquisition of any Property from the Borrower or a Secured Subsidiary) unless the following criteria have been met:

- (a) no Event of Default or Pending Event of Default has occurred and is continuing or would result as a consequence of making such Investment;
- (b) such Investment is in a Core Business;

- (c) the aggregate amount of all such Investments made by the Borrower and the Secured Subsidiaries, at any time, (i) in or in connection with Persons that are not the Borrower or a Secured Subsidiary, will not, in the aggregate, exceed 25% of Total Assets at such time, on a *pro forma* basis, and (ii) in Excluded Subsidiaries, will not exceed \$30,000,000 in the aggregate; and
- (d) if a proposed Investment exceeds \$100,000,000 (including assumption of Debt in connection with the proposed Investment) and the Total Debt to Cash Flow Ratio is greater than 3.5:1.0 after giving effect to such proposed Investment, the Agent shall have been provided with Proforma Financial Statements and a Compliance Certificate evidencing compliance with the financial covenants in Section 8.2 which reflect the projected results of the proposed Investment and the Agent have been provided with a summary of the principal terms and conditions of such Investment;

8.4.6 No Distributions - in the case of the Borrower only, make any Distribution when the Total Debt to Cash Flow Ratio, based on the most recently completed fiscal quarter:

- (a) is greater than 4.0:1.0 (after giving effect to the proposed Distribution), if the Distribution would exceed 100% of Free Cash Flow of the Borrower or if an Event of Default or Pending Event of Default has occurred and is continuing at the time such Distribution is made or would result from the making of such Distribution; and
- (b) is 4.0:1.0 or less after giving effect to the proposed Distribution, if an Event of Default or Pending Event of Default has occurred and is continuing at the time of such Distribution is made or would result from the making of such Distribution;

8.4.7 Hedging - enter into any Hedge Transaction unless such agreement is:

- (a) in the case of the Borrower and the Secured Subsidiaries, entered into with a Lender at such time (or one of its Affiliates); and
- (b) entered into pursuant to a sound and fiscally responsible program for interest risk management, hedging exposure in respect of equity based compensation and foreign exchange fluctuations and not for speculative purposes;

8.4.8 Operation of Business - operate its business, in a manner that would reasonably be expected to result in a Material Adverse Change;

8.4.9 No Affecting the Security - do or permit anything to adversely affect the ranking or validity of the Security except by incurring a Permitted Encumbrance;

- 8.4.10 No Change of Name – the Borrower will not change its name, or permit any Secured Subsidiary or Required Pledgor to change its name, without providing the Agent with written notice thereof and promptly taking such steps, if any, as are necessary or as the Agent reasonably requests to permit the Agent to maintain the perfection of the Security, if applicable, with respect to the change in name;
- 8.4.11 No Change of Fiscal Year End - change its Fiscal Year end or any other Restricted Party's fiscal year end from August 31 without the prior written consent of the Agent, not to be unreasonably withheld;
- 8.4.12 Chief Executive Office - permit the chief executive office of the Borrower or any Secured Subsidiary or Required Pledgor to be located in any province or jurisdiction where the Security given by it, or such other Restricted Party, as applicable, has not been registered, without providing the Agent with prior written notice thereof and promptly taking other steps, if any, as the Agent in its discretion reasonably requests to permit the Agent to perfect or properly record the Security with respect to the change in location;
- 8.4.13 No Redemption or Retraction – permit the redemption or retraction of its shares or other ownership interests if an Event of Default has occurred and is continuing; and
- 8.4.14 Revocation of Secured Subsidiaries and Designation of Excluded Subsidiaries - revoke the designation of a Secured Subsidiary if such revocation occurs at the time of or results in the occurrence of a Pending Event of Default or Event of Default, or designate a Subsidiary of the Borrower to be an Excluded Subsidiary if, immediately thereafter and after giving effect thereto, a Pending Event of Default or Event of Default will exist.
- 8.4.15 Pension Plan – (a) terminate, or do or omit to do anything that could reasonably be expected to prompt any Governmental Authority to terminate, the “defined benefit provision” (as that term is defined in the Tax Act) of any Pension Plan where such termination would or could reasonably be expected to result in a wind-up liability in the aggregate above \$30,000,000; or (b) withdraw from or otherwise cease to participate in any Pension Plan that is a “multi-employer pension plan” within the meaning of *Pension Benefits Standards Act, 1985* (Canada) or similar provincial legislation where such withdrawal would or could reasonably be expected to result in withdrawal liability in the aggregate above \$30,000,000.

8.5 Lenders' Obligations re Hedge Obligations

Each Hedge Provider will promptly provide to the Borrower and the Agent, upon request, any information required by the Borrower or the Agent in order to calculate and verify any Mark to Market Amount or the Aggregate Mark to Market Exposure Amount

ARTICLE 9

SECURITY

9.1 Security

- 9.1.1 As general and continuing security for the payment and performance of the Obligations (including, for clarity, amounts owing with respect to Hedge Obligations), the guarantees and security listed below shall be granted to the Agent on behalf of the Lenders:
- (a) a general security agreement granted by the Borrower creating a first ranking charge of the present and future Property of the Borrower, such ranking to be subject only to Permitted Encumbrances;
 - (b) a securities pledge agreement granted by the Borrower pledging all of the Borrower's ownership interests (except such ownership interests that are represented by non-voting, preferred redeemable ownership interests) in all Secured Subsidiaries (except to the extent contractually prohibited), which shall be a first ranking pledge subject only to Permitted Encumbrances, together with the applicable share or other ownership certificates endorsed for transfer or accompanied by an appropriate transfer power;
 - (c) a securities pledge agreement granted by the Borrower pledging all of the Borrower's ownership interests (except such ownership interests that are represented by non-voting, preferred redeemable ownership interests), except to the extent contractually prohibited, in Material Entities or in any Person that directly or indirectly holds an ownership interest in any Material Entity, which shall be a first ranking pledge subject only to Permitted Encumbrances, together with the applicable share or other ownership certificates endorsed for transfer or accompanied by an appropriate transfer power;
 - (d) assignments granted by the Borrower of any proceeds of any insurance on or in respect of the assets of the Borrower showing the Agent as loss payee and additional insured;
 - (e) an unlimited guarantee granted by each Secured Subsidiary;
 - (f) a limited recourse guarantee granted by (i) any Subsidiary of the Borrower that is not a Secured Subsidiary and that holds an ownership interest in a Secured Subsidiary or a Material Entity (such Subsidiary, a **"Required Pledgor"**) and (ii) any Person, that is not the Borrower or any of its Subsidiaries, that holds ownership interests in a Secured Subsidiary (such Person, a **"Third Party Pledgor"**), that, in each case, is limited in recourse to all such ownership interests (except such ownership interests that are represented by non-voting, preferred

redeemable ownership interests), to the extent that a pledge in such ownership interests is not contractually prohibited;

- (g) a general security agreement granted by each Secured Subsidiary creating a first ranking charge of the present and future Property of each such Secured Subsidiary, subject only to Permitted Encumbrances;
- (h) securities pledge agreements granted by each Secured Subsidiary, Required Pledgor and Third Party Pledgor that pledge all of its ownership interests in a Secured Subsidiary (except such ownership interests that are represented by non-voting, preferred redeemable ownership interests) which shall be first ranking pledges subject only to Permitted Encumbrances, together with the applicable share or other ownership certificates endorsed for transfer or accompanied by an appropriate transfer power; provided, however, that the Borrower may request that the requirement for any Third Party Pledgor that is not a Subsidiary of the Borrower to pledge its ownership interests in any Secured Subsidiary be waived and such waiver may be granted upon the consent of the Majority Lenders, in their sole discretion;
- (i) securities pledge agreements granted by each Subsidiary of the Borrower that holds directly (and each Subsidiary of the Borrower that holds indirectly and is requested to do so by the Agent, acting reasonably), any ownership interests in one or more Material Entities, that pledge all ownership interests (except such ownership interests that are represented by non-voting, preferred redeemable ownership interests), except to the extent contractually prohibited held by each such Subsidiary in any Material Entity, or in any Person that directly or indirectly holds an ownership interest in any Material Entity, which shall be first ranking pledges subject only to Permitted Encumbrances, together with the applicable share or other ownership certificates endorsed for transfer or accompanied by an appropriate transfer power;
- (j) a deed of hypothec granted by each Secured Subsidiary for which the Province of Quebec is a Relevant Jurisdiction, a debenture issued under each such deed of hypothec and a debenture pledge agreement pursuant to which each such debenture is pledged to the Agent;
- (k) assignments granted by each Secured Subsidiary of all proceeds of any insurance on or in respect of the assets of the Secured Subsidiary showing the Agent as loss payee and additional insured;
- (l) such further security agreements, deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge as the Agent may reasonably request to effectively secure the undertaking, Property and assets of the Borrower and its Subsidiaries; and

- (m) the security, if any, delivered to the Agent pursuant to Section 9.2 hereof.

The documents referred to in paragraphs (a) to (k) inclusive of this Section 9.1.1 shall be in form satisfactory to the Lenders, acting reasonably. Any further documents required by the Agent under paragraphs (l) and (m) above need only be in form satisfactory to the Agent, acting reasonably.

- 9.1.2 To the extent that Security described in Section 9.1.1 has been granted prior to the date of this Agreement, such Security will be confirmed, acknowledged and amended pursuant to the Security and Guarantee Confirmation Agreement and such security may also be amended and restated, concurrently with the execution of this Agreement, as required by the Agent, acting reasonably.

9.2 New Secured Subsidiaries and Securities Pledges

Within 30 days of the receipt by the Agent of a certificate described in Section 8.3.4 or otherwise, the Borrower will cause any of its Subsidiaries that has been designated to become a Secured Subsidiary or any of its Subsidiaries that becomes a Required Pledgor or Person that becomes a Third Party Pledgor to execute and deliver Security as described in Section 9.1.1, as applicable, in favour of the Agent, and cause such filings, recordings and registrations to be effected as the Agent may reasonably require in all Relevant Jurisdictions, provided that the Security described in Section 9.1.1(j) shall be required only if Quebec is a Relevant Jurisdiction for such Subsidiary; and provided further, that any Security to be delivered by a Third Party Pledgor, will also contain such representations, warranties and covenants that are otherwise applicable herein to Required Pledgors, as determined by the Agent, acting reasonably. One or more of the Borrower, a Secured Subsidiary, a Required Pledgor or Third Party Pledgor, as the case may be, shall also deliver a pledge of all of the shares or ownership interests of the new Secured Subsidiary held by the Borrower and its Subsidiaries (except such ownership interests that are represented by non-voting, preferred redeemable ownership interest) as part of the Security together with applicable share or other ownership certificates in respect thereof and deliver to the Agent all such other documentation including, officer's certificates, resolutions and opinions, as the Agent may reasonably require, including, without limitation, an updated Schedule N and Schedule Q reflecting the information for those Subsidiaries that have been designated to become a Secured Subsidiary, any Subsidiary that has become a Required Pledgor or any Person that has become a Third Party Pledgor.

9.3 Registration

The Borrower shall, and shall ensure that each Secured Subsidiary, Required Pledgor and Third Party Pledgor shall, at its expense, register, file or record the Security in all offices in each Relevant Jurisdiction where such registration, filing or recording is necessary or of advantage to the creation, perfection and preserving of the security applicable to it. The Borrower shall renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect and shall, from time to time as reasonably required, provide to the Agent an opinion of counsel that all such registrations, filings and recordings have been made.

9.4 After Acquired Property and Further Assurances

The Borrower, each Secured Subsidiary, and each Required Pledgor shall from time to time execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge in connection with all assets acquired by the Borrower or such Subsidiary after the date hereof and intended to be subject to the security interests created hereby including any insurance thereon.

9.5 Application of Proceeds of Security

Each of the Lenders acknowledges that the Agent holds the Security to secure all of the Obligations and upon the event of the occurrence of an Event of Default, shall distribute the proceeds of realization in accordance with Section 10.10.

9.6 Release of Security

Nothing herein or in any of the Security is intended to, or shall, prevent the Borrower or any Subsidiary thereof from selling, transferring or otherwise disposing of any of its assets in any manner which does not contravene any provision of this Agreement, and the Agent shall, upon the Borrower's request and provided that no Event of Default has occurred and is continuing or would result from such disposition, execute a release of any Property subject to the Security which the Borrower or a Subsidiary thereof proposes to sell, transfer or otherwise dispose of, or confirm to the purchaser or transferee thereof that such disposition may occur free of the Security, unless such sale, transfer or other disposition is contrary to any provision hereof. If at any time prior to an Event of Default, a Subsidiary of the Borrower that has given Security hereunder ceases to be a Secured Subsidiary or ceases to be a Required Pledgor, or a Third Party Pledgor ceases to be a Third Party Pledgor, the Agent will on request release and authorize the discharge of any Security given by such Person.

9.7 Non-Disturbance Agreements for Permitted Licensing Dispositions

Following a request from the Borrower, the Agent is authorized, to execute and deliver a Non-Disturbance Agreement in such form as the Agent, acting reasonably shall have approved, with any Person in whose favour a Restricted Party has made or proposes to make a Permitted Licensing Disposition provided that such agreement does not otherwise contravene any provision of this Agreement and no Event of Default has occurred and is continuing nor would any Pending Event of Default or Event of Default result from the execution of such agreement.

9.8 Grant of Security in Quebec

It is acknowledged, agreed, ratified and confirmed by the parties to this Agreement that for the purposes of the past, present or future grant of security by the Borrower or any Subsidiary thereof in the Province of Québec, The Toronto-Dominion Bank (the "**Attorney**") has been designated to act as the holder of a power of attorney (*fondé de pouvoir*) of the Lenders for all purposes of Article 2692 of the Civil Code of Québec. Any Person who becomes a Lender or provides a Hedge Obligation under this Agreement shall be deemed to have consented to and affirmed the Attorney as *fondé de pouvoir* and to have ratified as of the date it (or its Affiliate as applicable) becomes a Lender all such actions taken by the *fondé de pouvoir*.

ARTICLE 10

DEFAULT

10.1 Events of Default

The occurrence of any one or more of the following events (each such event being herein referred to as an “**Event of Default**”) shall constitute a default under this Agreement:

- 10.1.1 if the Borrower (i) fails to pay any amount of principal of any Advance when due and payable, or (ii) fails to pay, within three Business Days of when due and payable, any amount on account of interest, fees or other Obligations (other than Hedge Obligations); or
- 10.1.2 if a Hedge Provider sends a notice designating an Early Termination Date (as that term is defined under the applicable ISDA Master Agreement) to the Borrower or a Secured Subsidiary, as applicable and the Borrower or such Secured Subsidiary neglects to or is unable to make any payment required as a result thereof within three (3) Business Days of such notice; or
- 10.1.3 if the Borrower neglects to observe or perform any of the financial covenants in Section 8.2 and such default has not been waived by all of the Lenders within 10 Business Days; or
- 10.1.4 if the Borrower neglects to observe or perform the covenant in Section 8.1.12 and the Borrower fails to remedy such default within 10 Business Days; or
- 10.1.5 if a Restricted Party neglects to observe or perform any covenant or obligation herein or under any document granting Security contained on its part to be observed or performed (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this Section 10.1) and such Restricted Party shall fail to remedy such default within the earlier of 30 days from the date (i) such Restricted Party, becomes aware of such default and (ii) the Agent delivers written notice of the default to the Borrower and such Restricted Party, unless the Majority Lenders (having regard to the subject matter of the default) shall have agreed to a longer period, and in such event, within the period agreed to by the Majority Lenders; or
- 10.1.6 if a Restricted Party (i) fails to make any payment when such payment is due and payable to any Person in relation to any Debt which in the aggregate principal amount then outstanding is in excess of Cdn. \$30,000,000 and any applicable grace period in relation thereto has expired; or (ii) defaults in the observance or performance of any other agreement or condition in relation to any Debt to any Person which in the aggregate principal amount then outstanding is in excess of Cdn. \$30,000,000 or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other condition is to

cause, or to permit the holder of such Debt to cause, such Debt to become due prior to its stated maturity date; or

- 10.1.7 the CRTC or other competent regulatory authority (i) fails to renew any CRTC Licence, or (ii) fails to renew any other Permit if, in either case, such failure would result in a Material Adverse Change; or
- 10.1.8 if a Restricted Party ceases or threatens to cease to carry on business generally (except pursuant to Section 8.4.3) or admits its inability or fails to pay its debts generally; or
- 10.1.9 if a Restricted Party denies, to any material extent, its obligations under any Credit Document or claims any of the Credit Documents to be invalid or withdrawn in whole or in part; or
- 10.1.10 any of the Credit Documents or any material provision of any of them becomes unlawful or is changed by virtue of legislation or by a court, statutory board or commission, if the applicable Restricted Party does not, within 20 Business Days of receipt of notice of such Credit Document or material provision becoming unlawful or being changed, replace such Credit Document with a new agreement that is in form and substance satisfactory to the Majority Lenders or amend such Credit Document to the satisfaction of the Majority Lenders; or
- 10.1.11 if a decree or order of a court of competent jurisdiction is entered adjudging any Restricted Party a bankrupt or insolvent or approving as properly filed a petition seeking the winding-up of any Restricted Party under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or the *Winding Up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law or issuing sequestration or process of execution against any substantial part of the assets of any Restricted Party or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 30 Business Days; or
- 10.1.12 if any Restricted Party becomes insolvent, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding Up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy,

insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition; or

- 10.1.13 if an Encumbrancer takes possession of all or a substantial portion of the Property of the Restricted Parties, taken as a whole, by appointment of a receiver, receiver and manager, or otherwise; or
- 10.1.14 if (a) a final judgment or decree for the payment of money shall have been obtained or entered against any Restricted Party in an amount of Cdn \$30,000,000 (or the Equivalent Amount in Canadian Dollars) or more and such judgment or decree shall not have been and remain vacated, discharged or stayed pending appeal within the shorter of 30 days and the day on which the right to appeal such judgment or decree expires; or (b) a final judgment or decree for the payment of money due shall have been obtained or entered against any Restricted Party in an amount which, in the opinion of the Majority Lenders, acting reasonably, would materially and adversely affect the ability of the Borrower to fulfil its obligations to the Lenders under this Agreement and such judgment or decree shall not have been and remain vacated, discharged or stayed pending appeal within the applicable appeal period; or
- 10.1.15 if any representation or warranty made by a Restricted Party in this Agreement, any Credit Document or in any certificate or other document at any time delivered hereunder to the Agent or the Lenders shall prove to have been incorrect or misleading in any material respect on and as of the date thereof and the Borrower shall have failed to remedy, or cause to be remedied, such default within 30 days; or
- 10.1.16 if the Family Group ceases to own at least 50.1% of the issued Voting Shares of the Borrower without the prior written consent of the Majority Lenders; or
- 10.1.17 if any of the Security shall cease to be a valid and perfected first priority security interest subject only to Permitted Encumbrances and the Borrower shall have failed to remedy, or cause to be remedied, such default within 10 Business Days; or
- 10.1.18 if an event of default occurs under any Material Contract of a Restricted Party (other than an event of default specifically dealt with in this Section) resulting in, or which would reasonably be expected to result in, a Material Adverse Change and such event of default is not remedied within 30 days after the applicable Restricted Party becomes aware of such event of default; or
- 10.1.19 if proceedings are commenced for the dissolution, liquidation or winding-up of any Restricted Party (except as provided in Section 8.4.3) or for the suspension of the operations of any Restricted Party unless such proceedings are being actively and diligently contested in good faith.

10.2 Acceleration and Termination of Rights

If any Event of Default shall occur, the Lenders will have no further obligation to make Advances and all Obligations (other than under or in connection with a Hedge Obligation) shall, at the option of the Agent or upon the request of a Majority Lenders, become immediately due and payable with interest thereon, at the rate or rates determined as herein provided, to the date of actual payment thereof, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by the Borrower provided, if any Event of Default described in Section 10.1.11 or 10.1.12 occurs, the Commitments (if not theretofore terminated) will automatically terminate and the outstanding principal amount or face amount, as the case may be, of all Advances and all other Obligations will automatically be and become immediately due and payable. In such event, the Majority Lenders may in their discretion, direct the Agent on their behalf, to exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against the Borrower authorized or permitted by law for the recovery of all the Obligations of the Borrower to the Lenders and proceed to exercise any and all rights hereunder and under the Security and no such remedy for the enforcement of the rights of the Lenders shall be exclusive of or dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

10.3 Payment of Bankers' Acceptances and Letters of Credit

If the Borrower does not pay to the Agent for the account of the Lenders the principal amount of any unmatured Bankers' Acceptance or the face amount of any unexpired Letter of Credit required to be paid pursuant to Section 10.2, the Agent on behalf of the Lenders shall have the option with the consent of all of the Lenders at any time without notice to the Borrower to give notice to the Lenders to make an Advance to the Borrower equal to the principal amount of all unmatured Bankers' Acceptances and the face amount of all unexpired Letters of Credit, such Advance not to bear interest. The proceeds of such Advance shall be held by the Lender in a non-interest bearing cash collateral account for the benefit of the Borrower and shall be applied in payment of such Bankers' Acceptances as they mature and such Letters of Credit if payment is required thereunder or otherwise as the Lender may require. The Borrower shall execute and deliver as security for such Advance all such security agreement as the Lender may deem necessary or advisable including an assignment of credit balance in respect of such cash collateral account.

10.4 Remedies Cumulative and Waivers

For greater certainty, it is expressly understood and agreed that the respective rights and remedies of the Lenders and the Agent hereunder or under any other Credit Document or instrument executed pursuant to this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lenders or by the Agent of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or other document or instrument executed pursuant to this Agreement shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which any one or more of the Lenders and the Agent may be lawfully entitled for such default or breach. Any

waiver by the Lenders or the Agent of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by the Lenders or the Agent shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lenders or the Agent under this Agreement or any other Credit Document or instrument executed pursuant to this Agreement as a result of any other default or breach hereunder or thereunder.

10.5 Termination of Lenders' Obligations

The occurrence of an Event of Default shall relieve the Lenders of all obligations to provide any further Advances hereunder; provided that the foregoing shall not prevent the Lenders from disbursing money hereunder in reduction of then outstanding Bankers' Acceptances and Letters of Credit.

10.6 Saving

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

10.7 Perform Obligations

If an Event of Default has occurred and is continuing and if the Borrower has failed to perform any of its covenants or agreements in the Credit Documents, the Majority Lenders, may, but shall be under no obligation to, instruct the Agent on behalf of the Lenders to perform any such covenants or agreements in any manner deemed fit by the Majority Lenders without thereby waiving any rights to enforce the Credit Documents. The reasonable expenses (including any legal costs) paid by the Agent and/or the Lenders in respect of the foregoing shall be secured by the Security.

10.8 Third Parties

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

10.9 Set-Off or Compensation

In addition to and not in limitation of any rights now or hereafter granted under applicable law, if repayment is accelerated pursuant to Section 10.2, the Lenders, or any of them, may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by the Lenders, or any of them, to or for the credit of or the account of the Borrower, against and on account of the Obligations notwithstanding that any of them are contingent or unmatured.

10.10 Realization of Security

Each of the Lenders and Hedge Providers acknowledges that the Agent holds the Security to secure all of the Obligations and upon the event of the occurrence of an Event of Default, shall act on the written instructions of the Majority Lenders as provided in this Agreement and shall distribute the net sale proceeds of realization of the Security to the Lenders and Hedge Providers in accordance with their Proportionate Share of the Obligations and in accordance with Section 10.11.

10.11 Application of Payments

If any Event of Default shall occur and be continuing, all payments made by a Restricted Party hereunder in respect of Hedge Obligations, or received from proceeds of realization of any Security, shall be applied in the following order, on a *pro rata* basis:

- (a) to amounts due under the Obligations as fees, including any fees payable pursuant to the Agency Fee Agreement;
- (b) to amounts due under the Obligations as costs and expenses;
- (c) to amounts due under the Obligations as default interest;
- (d) to amounts due under the Obligations as Letter of Credit fees;
- (e) to amounts due under the Obligations as interest; and
- (f) to amounts due hereunder in respect of Bankers' Acceptances, as principal, and all Positive Mark to Market Amounts owing to Hedge Providers in respect of Hedge Obligations; provided that, for the purposes of this Section only, such Positive Mark to Market Amounts shall be the amounts as determined herein, unless on such day of calculation an Early Termination Date (as defined in the applicable ISDA Master Agreement) has been designated and an amount payable under Section 6(e) of such ISDA Master Agreement has been determined, in which case, such amount payable under Section 6(e) will be the Positive Mark to Market Amount in respect of such Hedge Provider.

ARTICLE 11

TAXES, COSTS, EXPENSES AND INDEMNIFICATION

11.1 Costs and Expenses

The Borrower shall pay promptly upon notice from the Agent all reasonable costs and expenses in connection with preparation, execution and delivery of this Agreement and the other documents to be delivered hereunder, expenses incurred by TD in connection with the preparation of the term sheet in respect hereof, expenses in respect of syndication of the Credit Facilities and TD's due diligence, all whether or not any Advance has been made hereunder, including the reasonable fees and out-of-pocket expenses of Lenders' Counsel with respect thereto and with respect to advising the Agent or the Lenders as to its or their rights and responsibilities under this Agreement and the other Credit Documents to be delivered hereunder. The Borrower further agrees to pay within 10 Business Days of demand by the Agent all reasonable costs and expenses in connection with the preparation or review of waivers, consents and amendments requested by the Borrower and, to the extent reasonably required, questions of interpretation of this Agreement and in connection with the establishment of the validity and enforceability of this Agreement and the preservation or enforcement of rights of the Agent and/or the Lenders under this Agreement and other documents to be delivered hereunder, including all reasonable costs and expenses sustained by each Lender or the Agent as a result of any failure by the Borrower to perform or observe any of its obligations hereunder, together with interest at the Prime Rate plus 2% per annum from and after such 10th Business Day if such payment is not made by such time. Such costs and expenses shall be payable whether or not an Advance is made under this Agreement.

11.2 Indemnification by the Borrower

In addition to any liability of the Borrower to any Lender or the Agent under any other provision hereof, the Borrower shall indemnify each Lender, the Agent (and any sub-agent thereof), the Issuing Lender, the Lead Arranger, the Bookrunner, the Syndication Agents, and each Related Party thereof (collectively, the "**Indemnitees**") and hold each Indemnatee harmless against any reasonable loss or expense (other than loss of profits) incurred by such Indemnatee as a result of:

- (a) any failure by the Borrower to fulfil any of its obligations hereunder including any cost or expense incurred by reason of the liquidation or re-employment in whole or in part of deposits or other funds required by any Lender to fund any Bankers' Acceptance or Letter of Credit or to fund or maintain its Proportionate Share of any Advance as a result of the Borrower's failure to complete an Advance or to make any payment, repayment or prepayment on the date required hereunder or specified by it in any notice given hereunder;
- (b) the Borrower's failure to provide for the payment to the Agent, for the account of each of the Lenders, of the full principal or face amount of each Bankers' Acceptance or Letter of Credit on its maturity date;

- (c) the Borrower's failure to pay any other amount, including any interest or fee, due hereunder on its due date; the repayment or prepayment of a LIBOR Advance otherwise than on the last day of its LIBOR Period;
- (d) the provision of funds for any outstanding Bankers' Acceptance or Letter of Credit before the maturity date of such Bankers' Acceptance or Letter of Credit;
- (e) the Borrower's failure to give any notice required to be given by it to the Agent or Lenders hereunder; or
- (f) the failure of the Borrower to make any other payment when due hereunder.

A certificate of a Lender or the Agent as to the amount of any such loss or expense shall be *prima facie* evidence as to the amount thereof, in the absence of manifest error. The agreements in this Section shall survive the termination of this Agreement and repayment of the Obligations.

11.3 Specific Environmental Indemnification

The Borrower shall indemnify the Indemnitees and hold each harmless at all times from and against any and all losses, damages and costs (including reasonable counsel fees and expenses) resulting from any legal action commenced or claim made by a third party against any Indemnitee related to or as a result of actions on the part of the Borrower or any Subsidiary thereof related to or as a consequence of environmental matters or a failure to comply with Requirements of Environmental Law. The Borrower or such Subsidiary, as the case may be, shall have the sole right, at its expense, to control any such legal action or claim and to settle on terms and conditions approved by the Borrower or such Subsidiary, as the case may be, and approved by the party named in such legal action or claim whether it be the Lenders or the Agent, or any of them acting reasonably provided that if, in the opinion of the Lenders, or the Agent, or any of them as the case may be, the interests of the Lenders, or the Agent or any of them are different from those of the Borrower or such Subsidiary in connection with such legal action or claim, the Lenders or the Agent or any of them shall have the sole right, at the Borrower's expense, to defend their own interests provided that any settlement of such legal action or claim shall be on terms and conditions approved by the Borrower, acting reasonably. If the Borrower or such Subsidiary does not defend the legal action or claim, the Agent and the Lenders shall have the right to do so on their own behalf and on behalf of the Borrower or such Subsidiary, as the case may be, at the expense of the Borrower.

11.4 Reimbursement by Lenders.

To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under Section 11.1, 11.2 or 11.3 to be paid by it to the Agent (or any sub-agent thereof), the Issuing Lender or any Related Party thereof, each Lender severally agrees to pay to the Agent (or any sub-agent thereof), the Issuing Lender or such Related Party thereof, as the case may be, such Lender's Proportionate Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any sub-agent thereof) or the Issuing Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Agent (or

any sub-agent thereof) or the Issuing Lender in connection with such capacity. The obligations of the Lenders under this Section 11.4 are subject to the other provisions of this Agreement concerning several liability of the Lenders.

11.5 Waiver of Consequential Damages

To the fullest extent permitted by applicable law, the Borrower 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 Credit Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Advance or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.

11.6 Taxes

- 11.6.1 Gross-Up. All payments to be made by the Borrower or any Secured Subsidiary pursuant to the Credit Documents are to be made without set-off, compensation or counterclaim, free and clear of and without deduction for or on account of any Taxes (other than Excluded Taxes), except as may be required by applicable law. If the Borrower (or a Secured Subsidiary) is required by applicable law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment or obligation under a Credit Document, then (i) the sum payable shall be increased by the Borrower (or a Secured Subsidiary) 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 relevant Credit Party receives an amount equal to the sum it would have received had no such deductions or payments been required, (ii) the Borrower (or a Secured Subsidiary) shall make any such deductions required to be made by it under applicable law, and (iii) the Borrower (or a Secured Subsidiary) shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with applicable law.
- 11.6.2 Other Taxes. Without limiting the provisions of Section 11.6.1 above, the Borrower (and each Secured Subsidiary) shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.
- 11.6.3 Tax Indemnification. The Borrower (and each Secured Subsidiary) shall indemnify each Credit Party, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by a Credit Party 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 Credit Party (with a copy to the Agent) shall be conclusive absent manifest error. If the Borrower is required to make any payment under this Section for the account of a Lender, that Lender shall take reasonable steps to minimize the net amount payable by the Borrower under this Section.

- 11.6.4 Receipts. As soon as practicable after any payment of Indemnified Taxes or Other Taxes to a Governmental Authority, the Borrower (or Secured Subsidiary) shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.
- 11.6.5 Foreign 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 Credit Document shall, at the request of the Borrower or the Agent, deliver to the Borrower (with a copy to the Agent) such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, (a) any Lender, if requested by the Borrower or the Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the 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 Tax Act shall within five days thereof notify the Borrower and the Agent in writing.
- 11.6.6 Tax Refunds. If a Credit Party determines, acting reasonably, that it has received a refund of any Taxes as to which it has been indemnified by the Borrower (or a Secured Subsidiary) or with respect to which the Borrower (or a Secured Subsidiary) has paid additional amounts pursuant to this Section, such Credit Party shall pay to the Borrower (or a Secured Subsidiary) an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower (or a Secured Subsidiary) under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of the Credit Party, 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 and Secured Subsidiaries, upon the request of the Agent or such Credit Party, agrees to repay the amount paid over to the Borrower (or a Secured Subsidiary) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Agent or such Credit Party if the Agent or such Credit Party is required to repay such refund or reduction to

such Governmental Authority. This paragraph shall not be construed to require any Credit Party to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or to any other Person or to arrange its affairs in any particular manner.

ARTICLE 12

THE AGENT AND THE LENDERS

12.1 Authorization of Agent and Relationship

Each Lender hereby appoints the Agent as agent and the Agent hereby accepts such appointment. The appointment may only be terminated as expressly provided in this Agreement. Each Lender hereby authorizes the Agent to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Agent by the terms of this Agreement and the other Credit Documents, together with all powers reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Agent shall have no duties or obligations except those expressly set forth herein and no other duties or obligations of the Agent shall be implied in this Agreement or in any other Credit Document. The Agent may perform such duties or obligations by or through its agents or employees. The Agent shall not by any reason of this Agreement or any of the other Credit Documents have a fiduciary duty in respect of any Lender. As to any matters not expressly provided for by this Agreement, the Agent is not required to exercise any discretion or to take any action, but is required to act or to refrain from acting (and is fully protected in so acting or refraining from acting) upon the instructions of the Lenders or the Majority Lenders, as the case may be. Those instructions shall be binding upon all Lenders, but the Agent is not required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or applicable law.

12.2 Disclaimer of Agent

The Agent makes no representation or warranty, and assumes no responsibility with respect to the due execution, legality, validity, sufficiency, enforceability or collectability of this Agreement or any other Credit Document. The Agent assumes no responsibility for the financial condition of the Borrower, or for the performance of the obligations of the Borrower under this Agreement or any other Credit Document. The Agent assumes no responsibility with respect to the accuracy, authenticity, legality, validity, sufficiency or enforceability of any documents, papers, materials or other information furnished by the Borrower to the Agent. The Agent shall not be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained herein or as to the use of the proceeds of the Credit Facilities or (unless the officers or employees of the Lender acting as Agent acting in their capacity as officers or employees on the Borrower's accounts have actual knowledge thereof, or have been notified thereof in writing by the Borrower or a Lender) of the existence or possible existence of any Event of Default or Pending Event of Default other than nonpayment of amounts due hereunder payable through the Agent. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as Agent under or in connection with the Agreement except for its or their own negligence

or wilful misconduct. With respect to its Commitment, a Lender or Hedge Provider acting as Agent shall have the same rights and powers hereunder as any other Lender or Hedge Provider, and may exercise the same as though it were not performing the duties and functions delegated to it as Agent hereunder.

12.3 Failure of Lender to Fund

- 12.3.1 Unless the Agent has actual knowledge that a Lender has not made or will not make available to the Agent for value on a Drawdown Date the applicable amount required from such Lender, the Agent shall be entitled to assume that such amount has been or will be received from such Lender when so due and the Agent may (but shall not be obliged to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not in fact received by the Agent from such Lender on such Drawdown Date and the Agent has made available a corresponding amount to the Borrower on such Drawdown Date as aforesaid, such Lender shall pay to the Agent on demand an amount equal to the product of (i) the Interbank Reference Rate per annum multiplied by (ii) the amount that should have been paid to the Agent by such Lender on such Drawdown Date and was not, multiplied by (iii) a fraction, the numerator of which is the number of days that have elapsed from and including such Drawdown Date to but excluding the date on which the amount is received by the Agent from such Lender and the denominator of which is 365. A certificate of the Agent containing details of the amount owing by a Lender under this Section shall be binding and conclusive in the absence of manifest error. If any such amount is not in fact received by the Agent from such Lender on such Drawdown Date, the Agent shall be entitled to recover from the Borrower, on demand, the related amount made available by the Agent to the Borrower as aforesaid together with interest thereon at the applicable rate per annum payable by the Borrower hereunder.
- 12.3.2 Notwithstanding the provisions of Section 12.3.1, if any Lender fails to make available to the Agent its Proportionate Share of any Advance, which for greater certainty includes a deemed Advance, (such Lender being herein called the “**Defaulting Lender**”) the Agent shall forthwith give notice of such failure by the Defaulting Lender to the Borrower (except where such failure relates to a deemed Advance) and the other Lenders. The Agent shall then forthwith give notice to the Lenders that any Lender may make available to the Agent all or any portion of the Defaulting Lender’s Proportionate Share of such Advance (but in no way shall any Lender be obliged to do so) in the place of the Defaulting Lender. If more than one Lender gives notice that it is prepared to make funds available in the place of a Defaulting Lender in such circumstances and the aggregate of the funds which such Lenders (herein collectively called the “**Contributing Lenders**” and individually called the “**Contributing Lender**”) are prepared to make available exceeds the amount of the Advance which the Defaulting Lender failed to make, then each Contributing Lender shall be deemed to have given notice that it is prepared to make available its Proportionate Share of such Advance based on the Contributing Lenders’

relative commitments to advance in such circumstances. If any Contributing Lender makes funds available in the place of a Defaulting Lender in such circumstances, then the Defaulting Lender shall pay to any Contributing Lender making the funds available in its place, forthwith on demand, any amount advanced on its behalf together with interest thereon at the rate applicable to such Advance from the date of advance to the date of payment, against payment by the Contributing Lender making the funds available of all interest received in respect of the Advance from the Borrower. The failure of any Lender to make available to the Agent its Proportionate Share of any Advance as required herein shall not relieve any other Lender of its obligations to make available to the Agent its Proportionate Share of any Advance as required herein.

12.4 Payments by the Borrower

12.4.1 Prior to an Event of Default that is continuing, all payments made by or on behalf of the Borrower pursuant to this Agreement shall be made to and received by the Agent on behalf of the Lenders and shall be distributed by the Agent (except to the extent payable to the Agent on its own account) to the Lenders, as the case may be, as soon as possible upon receipt by the Agent. Subject to Sections 4.4 and 12.5, the Agent shall distribute to the Lenders in accordance with each Lender's Proportionate Share of the Credit Facilities or the applicable Credit Facility:

- (a) payments of interest, Letter of Credit Fees and all other fees payable pursuant to any Credit Document;
- (b) costs and expenses;
- (c) repayments of principal;
- (d) prepayments of principal;
- (e) amounts to be received by the exercise of any right of set-off, consolidation of accounts, or by counterclaim or cross-action; and
- (f) all other payments received by the Agent.

12.4.2 Notwithstanding the foregoing, any such distribution that would otherwise be made pursuant to Section 12.4.1(c) or (d) on account of any outstanding Bankers' Acceptances shall be set aside in a separate collateral account for the primary benefit of the Lenders who have issued such Bankers' Acceptances (and for the secondary benefit of the Lenders in respect of other Obligations) until and to the extent that such Obligations become matured and not contingent, at which time such distributions shall be made to the Lenders for whose primary benefit such amounts are held, at which time such application shall be made in accordance with Section 12.4.1(c) or (d).

- 12.4.3 Subject to Section 12.5, if the Agent does not distribute a Lender's Proportionate Share of a payment made by the Borrower to or for the benefit of that Lender for value on the day that payment is made to the Agent, provided that such payment is received by the Agent no later than 1:00 p.m. (Toronto time) on such day, the Agent shall pay to the Lender on demand an amount equal to the product of (i) the Interbank Reference Rate per annum multiplied by (ii) the Lender's Proportionate Share of the amount received by the Agent from the Borrower and not so distributed, multiplied by (iii) a fraction, the numerator of which is the number of days that have elapsed from and including the date of receipt of the payment by the Agent to but excluding the date on which the payment is made by the Agent to such Lender and the denominator of which is 365.

12.5 Payments by Agent

- 12.5.1 For greater certainty, the following provisions shall apply to any and all payments made by the Agent to the Lenders hereunder:
- (a) the Agent shall be under no obligation to make any payment (whether in respect of principal, interest, fees or otherwise) to any Lender until an amount in respect of such payment has been received by the Agent from the Borrower;
 - (b) if the Agent receives less than the full amount of any payment of principal, interest, fees or other amount owing by the Borrower under this Agreement, then subject to Section 4.5, the Agent shall have no obligation to remit to each Lender any amount other than such Lender's applicable Proportionate Share of that amount which is the amount actually received by the Agent;
 - (c) if any Lender advances more or less than its Proportionate Share of a Credit Facility, such Lender's entitlement to such payment shall be increased or reduced, as the case may be, in proportion to the amount actually advanced by such Lender;
 - (d) the Agent acting reasonably and in good faith shall, after consultation with the Lenders in the case of any dispute, determine in all cases the amount of all payments to which each Lender is entitled and such determination shall, in the absence of manifest error, be binding and conclusive;
 - (e) upon request, the Agent shall deliver a statement detailing any of the payments to the Lenders referred to herein; and
 - (f) all payments by the Agent to a Lender hereunder shall be made to such Lender at its address set out in Schedule B unless notice to the contrary is received by the Agent from such Lender.

- 12.5.2 Unless the Agent has actual knowledge that the Borrower has not made or will not make a payment to the Agent for value on the date in respect of which the Borrower has notified the Agent that the payment will be made and except to the extent that the Agent has received notice under Section 4.5, the Agent shall be entitled to assume that such payment has been or will be received from the Borrower when due and the Agent may (but shall not be obliged to), in reliance upon such assumption, pay the Lenders corresponding amounts. If the payment by the Borrower is in fact not received by the Agent on the required date and the Agent has made available corresponding amounts to the Lenders, the Borrower shall, without limiting its other obligations under this Agreement, indemnify the Agent against any and all liabilities, obligations, losses (other than loss of profit), damages, penalties, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on or incurred by the Agent as a result. A certificate of the Agent with respect to any amount owing by the Borrower under this Section shall be *prima facie* evidence of the amount owing in the absence of manifest error.

12.6 Direct Payments

The Lenders agree among themselves that, except as otherwise provided for in this Agreement and except as necessary to adjust for Advances that are not in each Lender's Proportionate Share under a Credit Facility, all sums received by a Lender relating to this Agreement or by virtue of the Security, whether received by voluntary payment, by the exercise of the right of set-off or compensation (pursuant to Section 4.5 or otherwise) or by counterclaim, cross-action or as proceeds of realization of any Security or otherwise, shall be shared by each Lender in its applicable Proportionate Share in accordance with Section 12.4 and each Lender undertakes to do all such things as may be reasonably required to give full effect to this Section, including the purchase from other Lenders of a portion thereof by the Lender who has received an amount in excess of its applicable Proportionate Share as shall be necessary to cause such purchasing Lender to share the excess amount rateably in its applicable Proportionate Share with the other Lenders. If any sum which is so shared is later recovered from the Lenders who originally received it, the Lender shall restore its applicable Proportionate Share of such sum to such Lenders, without interest. If any Lender (a "**Receiving Lender**") shall obtain any payment of moneys due under this Agreement as referred to above, the Receiving Lender shall forthwith remit such payment to the Agent and, upon receipt, the Agent shall distribute such payment in accordance with the provisions of Section 12.5.

12.7 Administration of the Credit Facilities

- 12.7.1 Unless otherwise specified herein, the Agent shall perform the following duties under this Agreement:
- (a) prior to an Advance, ensure that all conditions precedent have been fulfilled in accordance with the terms of this Agreement;
 - (b) take delivery of each Lender's Proportionate Share of an Advance and make all Advances hereunder in accordance set forth herein;

- (c) use reasonable efforts to collect promptly all sums due and payable by the Borrower pursuant to this Agreement;
- (d) make all payments to the Lenders in accordance with the provisions hereof;
- (e) hold all legal documents relating to the Credit Facilities, maintain complete and accurate records showing all Advances made by the Lenders, all remittances and payments made by the Borrower to the Agent, all remittances and payments made by the Agent to the Lenders and all fees or any other sums received by the Agent and allow each Lender and their respective advisors to examine such accounts, records and documents at their own expense (except those relating to the Agent for its own account), and provide any Lender, upon reasonable notice, with such copies thereof as such Lender may reasonably require from time to time at its expense;
- (f) except as otherwise specifically provided for in this Agreement, promptly advise each Lender upon receipt of each notice and deliver to each Lender, promptly upon receipt, all other written communications furnished by the Borrower to the Agent pursuant to this Agreement, including copies of financial reports and certificates which are to be furnished to the Agent;
- (g) forward to each of the Lenders, one copy each of this Agreement and other Credit Documents (excluding for this purpose any Hedge Agreement to which such Lender is not a party);
- (h) promptly forward to each Lender, upon request, an up-to-date loan status report and any other information respecting the Borrower reasonably requested by such Lender; and
- (i) upon learning of same, promptly advise each Lender in writing of the occurrence of an Event of Default or Pending Event of Default or the occurrence of any event, condition or circumstance which would result in Material Adverse Change or of any material adverse information coming to the attention of the Agent (using reasonable efforts) relative to the Borrower or any Subsidiary thereof, provided that, except as aforesaid, the Agent shall be under no duty or obligation whatsoever to provide any notice to the Lenders and further provided that each Lender hereby agrees to notify the Agent of any Event of Default or Pending Event of Default of which it may reasonably become aware.

12.7.2 The Agent may take the following actions only with the prior consent of the Majority Lenders, unless otherwise specified in this Agreement:

- (a) subject to Section 12.7.3, exercise any and all rights of approval conferred upon the Lenders by this Agreement;

- (b) amend, modify or waive any of the terms of this Agreement or any Credit Document (other than Hedge Agreements, Non-Disturbance Agreements and Security) including waiver of an Event of Default or Pending Event of Default, if such amendment, modification or waiver would affect the rights of the Lenders or the Agent in any material manner and, in each case if such action is not otherwise provided for in Section 12.7.3;
- (c) amend, modify or waive any of the terms of the Security and, if such action is not otherwise provided for in Section 12.7.3;
- (d) engage professionals, experts and agents as permitted by Section 12.8.1;
- (e) declare an Event of Default or take action to enforce performance of the Obligations of the Borrower including the appointment of a receiver, the exercise of powers of distress, lease or sale given by law and take foreclosure proceedings and/or pursue any other legal remedy necessary;
- (f) decide to accelerate the amounts outstanding under the Credit Facilities (or either of them); and
- (g) pay insurance premiums, taxes and any other sums as may be reasonably required to protect the interests of the Lenders.

12.7.3 The Agent will not amend, modify, discharge, terminate or waive any of the terms of this Agreement if such amendment, modification, discharge, termination or waiver would increase the amount of a Credit Facility, reduce the interest rates applicable to such Credit Facility, reduce the fees payable with respect to such Credit Facility, extend any date fixed for payment of principal or interest relating to such Credit Facility, extend the repayment dates of such Credit Facility or change the definition of Majority Lenders, in each case without the prior unanimous consent of the Revolving Facility Lenders or Term Loan Lenders, as applicable.

12.7.4 The Agent may take the following actions only if the prior unanimous consent of the Lenders is obtained, unless otherwise specified herein:

- (a) amend, modify or waive any of the terms of the Security if such amendment, modification or waiver would affect the rights of the Lenders or the Agent in any material manner, or discharge or terminate any terms of the Security;
- (b) amend this Section 12.7.4;
- (c) amend Section 3.5; and

(d) amend Section 10.11.

12.7.5 The Agent may not increase the Commitment of any Lender without the consent of such Lender.

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

(a) all statements, certificates, consents and other documents which the Agent purports to deliver on behalf of the Lenders or the Majority Lenders shall be binding on each of the Lenders, and the Borrower shall not be required to ascertain or confirm the authority of the Agent in delivering such documents;

(b) all certificates, statements, notices and other documents which are delivered by the Borrower to the Agent in accordance with this Agreement shall be deemed to have been delivered to each of the Lenders;

(c) all payments which are delivered by the Borrower to the Agent in accordance with this Agreement shall be deemed to have been duly delivered to each of the Lenders; and

(d) unless an Event of Default or Pending Event of Default has occurred and is continuing, the Borrower's consent to the appointment of any Successor Agent must be obtained, but the Borrower's consent shall not be unreasonably withheld or delayed.

12.8 Rights of Agent

12.8.1 In administering the Credit Facilities, the Agent may retain, at the expense of the Lenders if such expenses are not recoverable from the Borrower, such solicitors, counsel, auditors and other experts and agents as the Agent may select, in its sole discretion, acting reasonably and in good faith after consultation with the Lenders.

12.8.2 The Agent shall be entitled to rely on any communication, instrument or document believed by it to be genuine and correct and to have been signed by the proper individual or individuals, and shall be entitled to rely and shall be protected in relying as to legal matters upon opinions of independent legal advisors selected by it. The Agent may also assume that any representation made by the Borrower is true and that no Event of Default or Pending Event of Default has occurred unless the officers or employees of the Lender acting as Agent, active in their capacity as officers or employees responsible for the Borrower's account have actual knowledge to the contrary or have received notice to the contrary from any other party to this Agreement.

- 12.8.3 The Agent may, without any liability to account, but subject to the terms of this Agreement, accept deposits from and lend money to and generally engage in any kind of banking, or other business with the Borrower, as if it were not the Agent.
- 12.8.4 Except in its own right as a Lender, the Agent shall not be required to advance its own funds for any purpose, and in particular, shall not be required to pay with its own funds, insurance premiums, taxes or public utility charges or the cost of repairs or maintenance with respect to the assets which are the subject matter of the Security, nor shall it be required to pay with its own funds the fees of counsel, auditors, experts or agents engaged by it as permitted hereby.

12.9 Acknowledgements, Representations and Covenants of Lenders

- 12.9.1 It is acknowledged and agreed by each Lender that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, property, affairs, status and nature of the Borrower. Accordingly, each Lender confirms to the Agent that it has not relied, and will not hereafter rely, on the Agent to (a) check or inquire on its behalf into the adequacy or completeness of any information provided by the Borrower under or in connection with this Agreement or the transactions herein contemplated (whether or not such information has been or is hereafter distributed to such Lender by the Agent), or (b) assess or keep under review on its behalf the financial condition, creditworthiness, property, affairs, status or nature of the Borrower.
- 12.9.2 Each Lender represents and warrants that it has the legal capacity to enter into this Agreement pursuant to its charter and any applicable legislation and has not violated its charter, Constating Documents or any applicable legislation by so doing.
- 12.9.3 Each Lender agrees to indemnify the Agent (to the extent not reimbursed by the Borrower), rateably according to its Proportionate Share of the Credit Facilities from and against any and all liabilities and obligations (whether direct or indirect, contingent or otherwise), losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of the Credit Documents or the transactions therein contemplated, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's negligence or wilful misconduct. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand rateably according to its Proportionate Share of the Credit Facilities for any out-of-pocket expenses (including counsel fees) incurred by the Agent in connection with the preservation of any rights of the Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights or

responsibilities under this Agreement, to the extent that the Agent is not reimbursed for such expenses by the Borrower. The obligation of the Lenders to indemnify the Agent shall survive the termination of this Agreement.

- 12.9.4 Each of the Lenders acknowledges and confirms that in the event that the Agent does not receive payment in accordance with this Agreement, it shall not be the obligation of the Agent to maintain the Credit Facilities, or either of them, in good standing nor shall any Lender have recourse to the Agent in respect of any amounts owing to such Lender under this Agreement.
- 12.9.5 Each Lender acknowledges and agrees that its obligation to advance its Proportionate Share of each Credit Facility in respect of which it has a Commitment in accordance with the terms of this Agreement is independent and in no way related to the obligation of any other Lender hereunder.
- 12.9.6 Each Lender hereby acknowledges receipt of a copy of this Agreement and acknowledges that it is satisfied with the form and content of such documents.
- 12.9.7 Except to the extent recovered by the Agent from the Borrower, promptly following demand therefor, each Lender shall pay to the Agent an amount equal to such Lender's Proportionate Share of the Credit Facilities of any and all reasonable costs, expenses, claims, losses and liabilities incurred by the Agent in connection with this Agreement except for those incurred by reason of the Agent's negligence or wilful misconduct.
- 12.9.8 Each Lender shall respond promptly to each request by the Agent for the consent of such Lender required hereunder.

12.10 Collective Action of the Lenders

Each of the Lenders hereby acknowledges that to the extent permitted by applicable law, the remedies provided under the Credit 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 are to be exercised not severally, but by the Agent upon the decision of the Majority Lenders or all of the Lenders as required by this Agreement. Accordingly, notwithstanding any of the provisions contained herein, each of the Lenders hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including any declaration of default hereunder or thereunder but that any such action shall be taken only by the Agent with the prior written agreement of the Majority Lenders or all of the Lenders, as required. Each of the Lenders hereby further covenants and agrees that upon any such written agreement being given by the Majority Lenders or all of the Lenders, as required, it shall co-operate fully with the Agent to the extent requested by the Agent. Notwithstanding the foregoing, in the absence of the instructions from the Lenders and where in the sole opinion of the Agent, acting reasonably and in good faith, the exigencies of the situation warrant such action, the Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the interest of the Lenders.

12.11 Successor Agent

Subject to the appointment and acceptance of a Successor Agent as provided in this Section, and subject to Section 12.7.6(d), the Agent may resign at any time by giving 30 days' written notice thereof to the Lenders and the Borrower, and may be removed at any time by the Majority Lenders upon 30 days' written notice. Upon receipt of notice by the Lenders of the resignation of the Agent, or upon giving notice of termination to the Agent, the Majority Lenders may, within 21 days, appoint, having obtained the prior written consent of the Borrower (except upon and after the occurrence of a Pending Event of Default or an Event of Default, in which case no consent will be required), a successor from among the Lenders or, if no Lender is willing to accept such an appointment, from among other banks to which the *Bank Act* (Canada) applies, which each have combined capital and reserves in excess of \$250,000,000, and which have offices in Toronto (the "**Successor Agent**"). If no Successor Agent has been so appointed and has accepted such appointment within 21 days after the retiring Agent's giving of notice of resignation or receiving of notice of termination, then the retiring Agent may, on behalf of the Lenders, appoint a Successor Agent. If neither the Majority Lenders nor the Agent appoint a Successor Agent within such 21 days, then the Majority Lenders or the Agent may apply to a Judge of the Ontario Superior Court, on such notice as the Judge may direct, for the appointment of a Successor Agent, but any Successor Agent so appointed by the Court shall be subject to removal as aforesaid by the Majority Lenders. Upon the acceptance of any appointment as Agent hereunder by a Successor Agent, the retiring Agent shall pay the Successor Agent any unearned portion of any fee paid to the Agent for acting as such, and the Successor Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its further duties and obligations as Agent under this Agreement and the other Credit Documents. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article shall continue to enure to its benefit and be binding upon it as to any actions taken or omitted to be taken by it while it was Agent hereunder.

12.12 Provisions Operative Between Lenders and Agent Only

Except for the provisions of Sections 12.7.2, 12.7.3 and 12.7.5, Sections 12.9.2, 12.9.5 and 12.9.8 and Section 12.10 and 12.11 and the first sentence of Section 12.4.1, the provisions of this Article relating to the rights and obligations of the Lenders and the Agent *inter se* shall be operative as between the Lenders and the Agent only, and the Borrower shall not have any rights or obligations under or be entitled to rely for any purpose upon such provisions.

ARTICLE 13

CHANGE OF CIRCUMSTANCES

13.1 Change in Law

- 13.1.1 In the event of any change after the date hereof in any applicable law, rule, guideline, regulation, treaty or official directive (whether or not having the force of law) or in the interpretation or application thereof by any court or by any governmental agency, central bank or other authority or entity charged with the administration thereof which now or hereafter (a) subjects any Credit

Party to any Tax (other than Excluded Taxes) or changes the basis of taxation, or increases any existing Tax) (other than Excluded Taxes) on payments of principal, interest, fees or other amounts payable by the Borrower to a Credit Party under this Agreement (except for taxes on the overall Net Income of such Credit Party or Taxes covered by Section 11.6); (b) imposes, modifies or deems applicable any reserve, special deposit or similar requirements against assets held by, or deposits in or for the account of or loans by or any other acquisition of funds by, an office of any Lender; or (c) imposes on any Lender or requires there to be maintained by any Lender any capital adequacy or additional capital requirements in respect of any Advances or Lender's Commitments hereunder or any other condition with respect to this Agreement, and the result of any of the foregoing shall be to increase the cost to, or reduce the amount of principal, interest or other amount received or receivable by such Lender hereunder or its effective return hereunder in respect of making, maintaining or funding its participation in such Advance under a Credit Facility, such Lender shall determine that amount of money which shall compensate such Lender for such increase in cost or reduction in income (herein referred to as "**Additional Compensation**"). Upon a Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section 13.1 the Lender shall promptly so notify the Borrower and the Agent. The Lender shall provide to the Borrower and the Agent a photocopy of the relevant law, rule, guideline, regulation, treaty or official directive and a certificate of a duly authorized officer of such Lender setting forth the Additional Compensation and the basis of calculation therefor, which shall be conclusive evidence of such Additional Compensation in the absence of manifest error. The Borrower shall pay to the Lender within 10 Business Days of the giving of such notice such Lender's Additional Compensation calculated to the date of such notification. Each of the Lenders shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section 13.1 are then applicable notwithstanding that any Lender has previously been paid any Additional Compensation. Each Lender shall endeavour to limit the incidence of any such Additional Compensation, including seeking recovery for the account of the Borrower, by appealing any assessment at the expense of the Borrower upon the Borrower's request and will not seek Additional Compensation from the Borrower except to the extent it seeks additional compensation from other borrowers, if any, similarly affected.

- 13.1.2 Notwithstanding anything herein to the contrary, (i) all requests, rules, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or any regulatory authorities pursuant to Basel III and (ii) Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, shall be deemed to be a Change in Law, regardless of the date enacted, adopted or issued.

13.2 Interest on Unpaid Costs and Expenses

Unless the payment of interest is otherwise specifically provided for herein, where the Borrower fails to pay any amount required to be paid by it hereunder when due having received notice that such amount is due, the Borrower shall pay interest on such unpaid amount from the time such amount is due until paid at an annual rate equal to the Prime Rate plus 2% per annum.

13.3 Prepayment of Proportionate Share

Notwithstanding the provisions hereof, if a Lender gives the notice provided for in Section 13.1 with respect to any Advance (an “**Affected Loan**”), the Borrower may, upon 10 Business Days’ notice to that effect given to such Lender and to the Agent (which notice shall be irrevocable), prepay in full without penalty such Lender’s Proportionate Share of the Affected Loan outstanding together with accrued and unpaid interest on the principal amount so prepaid up to the date of such prepayment and such Additional Compensation as may be applicable to the date of such payment and all costs, losses and expenses incurred by the Lenders by reason of the liquidation or re-employment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Affected Loan or any part thereof on other than the last day of the applicable interest period, and upon such payment being made that Lender’s obligations to make such Affected Loans to the Borrower under this Agreement shall terminate.

13.4 Illegality

If after the date hereof the adoption of any applicable law, regulation, treaty or official directive (whether or not having the force of law) or any change therein or in the interpretation or application thereof by any court or by any governmental or other authority or central bank or comparable agency or any other entity charged with the interpretation or administration thereof or compliance by a Lender with any request or direction (whether or not having the force of law) of any such authority, central Lender or comparable agency or entity, now or hereafter makes it unlawful or impossible for any Lender to make, fund or maintain an Advance under the Credit Facilities, or either of them, or to give effect to its obligations in respect of such an Advance, such Lender may, by written notice thereof to the Borrower and to the Agent declare its obligations under this Agreement to be terminated whereupon the same shall forthwith terminate, and the Borrower shall prepay within the time required by such law (or at the end of such longer period as such Lender at its discretion has agreed) the principal of such Advance together with accrued interest, such Additional Compensation as may be applicable to the date of such payment and all costs, losses and expenses incurred by the Lenders by reason of the liquidation or re-employment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Advance or any part thereof on other than the last day of the applicable interest period. If any such change shall only affect a portion of such Lender’s obligations under this Agreement which is, in the opinion of such Lender and the Agent, severable from the remainder of this Agreement so that the remainder of this Agreement may be continued in full force and effect without otherwise affecting any of the obligations of the Agent, the other Lenders or the Borrower hereunder, such Lender shall only declare its obligations under that portion so terminated.

ARTICLE 14

SUCCESSORS AND ASSIGNS AND ADDITIONAL LENDERS

14.1 Successors and Assigns

- 14.1.1 The Credit Documents shall be binding upon and enure to the benefit of the Agent, each Lender that is a party thereto, the Borrower and their successors and assigns, except that the Borrower shall not assign any rights or obligations with respect to this Agreement or any of the other Credit Documents without the prior written consent of all of the Lenders and none of the Lenders shall assign any of their rights and obligations under this Agreement or any of the other Credit Documents except in accordance with this Agreement.
- 14.1.2 The collective rights and obligations of the Lenders under this Agreement are assignable in whole or in part and any Lender shall be entitled to assign in whole or in part its individual rights and obligations hereunder or to permit other financial institutions to participate in the Credit Facilities, all in accordance with the provisions of Section 14.2 and the other terms of this Agreement.
- 14.1.3 The Borrower hereby consents to the disclosure of any Information to any potential Lender or Participant provided that the potential Lender or Participant agrees in writing to keep the Information confidential and to return such Information if it does not become a Lender or a Participant.
- 14.1.4 Each assignment shall be of a uniform, and not a varying, percentage of all rights and obligations of the assignor(s) and each such assignment shall be in a principal amount that is not less than \$5,000,000, unless such assignment is of the entire Commitment of a Lender, and no assignment of a Commitment may result in the total Commitment of any Lender being less than \$5,000,000. The determination of the Commitment of a Lender under this Section 14.1.4 shall be made as of the effective date of the Assignment Agreement relating to any assignment.
- 14.1.5 Except as otherwise specifically provided herein, each Lender agrees that it shall not assign all or any portion of its rights under this Agreement including any portion of its Commitment without ten Business Days' prior notice to the Agent and, unless an Event of Default or a Pending Event of Default has occurred and is continuing, without the prior consent of and notice to, the Borrower. Where required, the consent of the Borrower shall not be unreasonably withheld and no consent of the Borrower will be required at any time following the occurrence of an Event of Default.
- 14.1.6 A participation by a Lender of its interest (or a part thereof) hereunder or a payment by a Participant to a Lender as a result of the participation will not constitute a payment hereunder to the Lender or an Advance to the Borrower.

14.2 Assignments

- 14.2.1 Subject to Section 14.1 and the other terms of this Agreement, the Lenders collectively or individually may assign to one or more assignees all or a portion of their respective rights and obligations under this Agreement (including all or a portion of their respective Commitments under a Credit Facility), provided that no assignee shall own or operate a business regulated by the CRTC or be an Affiliate of such a Person. The parties to each such assignment shall execute and deliver an Assignment Agreement to the Agent and, unless an Event of Default or a Pending Event of Default has occurred and is continuing, the Agent shall deliver such Assignment Agreement to the Borrower, for its acknowledgment, and recording by the Agent in the Register and the assignor shall pay a processing and recording fee of \$[redacted text] to the Agent (unless such fee is waived by the Agent). After such execution, delivery, acknowledgment and recording (i) the assignee thereunder shall be a party to this Agreement and, to the extent that rights and obligations hereunder have been assigned to it, have the rights and obligations of a Lender hereunder and (ii) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment Agreement, relinquish its rights and be released from its obligations under this Agreement, other than obligations in respect of which it is then in default, and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto.
- 14.2.2 The approval of each of the Agent, Issuing Lender and Swingline Lender, not to be unreasonably withheld, is required to the extent that any Revolving Commitment is to be assigned to a Lender who is not an existing Revolving Lender.
- 14.2.3 The agreements of an assignee contained in an Assignment Agreement shall benefit the assigning Lender thereunder, the other Lenders and the Agent in accordance with the terms of the Assignment Agreement.
- 14.2.4 The Agent shall maintain at its address referred to herein a copy of each Assignment Agreement delivered to and acknowledged by it and a register for recording the names and addresses of the Lenders and the Commitment under each of the Credit Facilities of each Lender from time to time (the "**Register**"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error. The Borrower, the Agent and each of the Lenders may treat each person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement, and need not recognize any person as a Lender unless it is recorded in the Register as a Lender. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

14.2.5 Upon its receipt of an Assignment Agreement executed by an assigning Lender and an assignee and approved by the Borrower, if the Borrower's consent is required pursuant to Section 14.1, the Agent shall, if the Assignment Agreement has been completed and is in the required form with such immaterial changes as are acceptable to the Agent:

- (a) acknowledge the Assignment Agreement;
- (b) record the information contained therein in the Register; and
- (c) give prompt notice thereof to the Borrower and the other Lenders, and provide them with an updated version of Schedule B upon request therefor.

14.2.6 For greater certainty, an assignment by any Lender of its rights hereunder will not constitute a repayment, discharge, rescission, extinguishment or novation of any extension of credit by such Lender under this Agreement or interest therein, and the obligations so assigned will continue to be the same obligations and not new obligations.

14.3 Participations

Each Lender may (subject to the provisions of Section 14.1) sell participations to one or more banks, financial institutions or other persons (other than any person that owns or operates a business regulated by the CRTC or an Affiliate of such person) (a "**Participant**") in or to all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments), but the Participant shall not become a Lender and:

- (a) the Lender's obligations under this Agreement (including its Commitments) shall remain unchanged;
- (b) the Lender shall remain solely responsible to the other parties hereto for the performance of such obligations;
- (c) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under this Agreement;
- (d) no Participant shall have any right to approve any amendment or waiver of any provision of this Agreement, or any consent to any departure by any person therefrom; and
- (e) each Participant shall represent to the Lender that it is not a Person that owns or operates a business regulated by the CRTC or an Affiliate of such a Person and shall agree to keep the Information confidential.

14.4 Non-Consenting Lenders

In the event any Lender (such Lender, a “**Non-Consenting Lender**”) does not consent to a proposed amendment, modification or waiver of this Agreement requested by the Borrower, which requires the consent of all of the Lenders to become effective (and which is approved by at least the Majority Lenders), then provided that no Default or Event of Default then exists the Borrower may, at its sole expense and effort (including with respect to the processing and recordation fee referred to in Section 14.2.1), upon notice to such Lender and the Agent, require such Lender to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in Sections 14.1 and 14.2), all or any portion of its interests, rights and obligations under this Agreement to an assignee that shall assume such assigned obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (y) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority having jurisdiction, and (z) the Borrower, or such assignee, shall have paid to the Non-Consenting Lender in immediately available funds an amount equal to the sum of the principal of and interest accrued to the date of such payment on the outstanding Loans and, if such Lender is the Issuing Lender, an amount equal to the undrawn face amount of all Letters of Credit issued by the Issuing Lender, plus all fees and other amounts accrued for the account of such Lender hereunder (including any amounts under Section 13.1) and provided that in respect of outstanding Bankers’ Acceptances or BA Equivalent Loans made by the Non-Consenting Lender, that the Obligations in respect of such loans shall have been cash collateralized by the Borrower and provided further that in respect of any outstanding LIBOR Advances, that breakage costs will have been paid to such Non-Consenting Lender by the Borrower. If the Non-Consenting Lender does not execute and deliver to the Agent a duly completed Assignment Agreement and/or any other documentation necessary to reflect such replacement within a period of time deemed reasonable by the Agent after the later of (a) the date on which the replacement Lender executes and delivers such Assignment Agreement and/or such other documentation, and (b) the date on which the Non-Consenting Lender receives all payments described in clause (z) of the proviso to the preceding sentence, then such Non-Consenting Lender shall be deemed to have executed and delivered such Assignment Agreement and/or such other documentation as of such date and the Borrower shall be entitled (but not obligated) to execute and deliver such Assignment Agreement and/or such other documentation on behalf of such Non-Consenting Lender.

ARTICLE 15

GENERAL

15.1 Exchange and Confidentiality of Information

- 15.1.1 The Borrower agrees that the Agent and each Lender may provide each other and any assignee or Participant, or prospective assignee or Participant pursuant to Sections 14.2 and 14.3 with any information concerning the financial condition of the Borrower and its Subsidiaries.
- 15.1.2 Each of the Agent and the Lenders acknowledge the confidential nature of the financial, operational and other information and data provided and to be

provided to them by the Borrower pursuant hereto (the “**Information**”) and agree to use all reasonable efforts to prevent the disclosure thereof provided, however, that they may disclose all or any part of the Information:

- (a) if, in their opinion, such disclosure is desirable or required in connection with any actual or threatened judicial, administrative or governmental proceeding;
- (b) to any, or pursuant to the requirements of any, judicial authority, law enforcement agency, regulatory authority, taxation authority or self-regulatory authority;
- (c) in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder but solely to the extent reasonably required for the prosecution of such remedies;
- (d) subject to an agreement containing provisions substantially the same as those in this Section 15.1;
- (e) to 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;
- (f) with the consent of the Borrower; and
- (g) to the extent such Information becomes publicly available other than as a result of a breach of this Section or becomes available to the Agent or any Lender on a non-confidential basis from a source other than the Borrower.

15.1.3 In addition, and notwithstanding anything herein to the contrary, the Agent may provide the Information concerning the Borrower and the Credit Facilities established herein to Bloomberg L.P. and/or other recognized trade publishers of information for general circulation in the loan market, provided that the Agent shall advise the Borrower of the particulars of the Information to be provided in advance of such information being so delivered, and shall deliver to the Borrower copies of any Information so provided.

15.2 Nature of Obligations under this Agreement

15.2.1 The obligations of each Lender and of the Agent under this Agreement are several. The failure of any Lender to carry out its obligations hereunder shall not relieve the other Lenders, the Agent or the Borrower of any of their respective obligations hereunder.

- 15.2.2 Neither the Agent nor any Lender shall be responsible for the obligations of any other Lender hereunder.

15.3 Notice

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by telex, telecopy, rapifax or other electronic means of communication addressed to the respective parties as follows:

To the Borrower:

25 Dockside Drive
Toronto, ON M5A 0B5
Attention: Executive Vice President and Chief Financial Officer
Facsimile: (416) 479-7013

To The Toronto-Dominion Bank, in its capacity as Agent for Advances, Rollovers, Conversions and repayments:

The Toronto-Dominion Bank, as Agent
TD North Tower
77 King Street West, 25th Floor
Toronto, ON M5K 1A2
Attention: Vice-President, Loan Syndications - Agency
Facsimile: (416) 982-5535

To The Toronto-Dominion Bank, in its capacity as Agent for all other notices:

The Toronto-Dominion Bank, as Agent
TD Bank Tower
66 Wellington Street West, 9th Floor
Toronto, ON M5K 1A2
Attention: Vice-President, Loan Syndications - Agency
Facsimile: (416) 944-6976

To each Lender, as set forth in Schedule B annexed hereto;

or to such other address or facsimile number as any party may from time to time notify the others in accordance with this Section 15.3. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, or, if made or given by electronic means of communication, on the first Business Day following the transmittal thereof.

15.4 Governing Law; Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without prejudice to or limitation

of any other rights or remedies available under the laws of any jurisdiction where Property or assets of the Borrower may be found.

15.5 Submission to Jurisdiction

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

15.6 WAIVER OF JURY TRIAL

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (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 CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

15.7 Judgment Currency

- 15.7.1 If for the purpose of obtaining or enforcing judgment against the Borrower in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 15.7 referred to as the “**Judgment Currency**”) an amount due in Canadian Dollars or United States Dollars under this Agreement, the conversion shall be made at the Exchange Rate prevailing on the Business Day immediately preceding:

- (a) the date of actual payment of the amount due, in the case of any proceeding in the courts of the Province of Ontario or in the courts of any other jurisdiction that will give effect to such conversion being made on such date; or
- (b) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 15.7.1(b) being hereinafter in this Section 15.7 referred to as the “**Judgment Conversion Date**”).

15.7.2 If, in the case of any proceeding in the court of any jurisdiction referred to in Section 15.7.1(b), there is a change in the Exchange Rate prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the Borrower shall pay such additional amount (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the Exchange Rate prevailing on the date of payment, will produce the amount of Canadian Dollars or United States Dollars, as the case may be, which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the Exchange Rate prevailing on the Judgment Conversion Date.

15.7.3 Any amount due from the Borrower under the provisions of Section 15.7.2 shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Agreement.

15.8 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the Borrower, each Lender, the Agent and their respective successors and permitted assigns.

15.9 Severability

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

15.10 Further Assurances

Each of the Borrower, the Lenders and the Agent shall promptly cure any default by it in the execution and delivery of this Agreement or the other Credit Documents to which it is a party or by which it is bound. The Borrower at its expense, shall promptly execute and deliver to the Agent, upon request by the Agent, all such other and further documents, agreements, opinions, certificates and instruments in compliance with, or accomplishment of the covenants and agreements of the Borrower hereunder or more fully to state the obligations of the Borrower as set out herein or to make any recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection therewith.

15.11 Time of the Essence

Time shall be of the essence of this Agreement.

15.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. For the purposes of this Section, the delivery of a facsimile copy or a scanned copy by electronic mail of an executed counterpart of this Agreement shall be deemed to an original thereof.

15.13 Amendment, Supplement or Waiver

No amendment, supplement or waiver of any provision of the Credit Documents to which the Agent and the Lenders are a party, nor any consent to any departure by the Borrower therefrom, shall in any event be effective unless it is in writing, makes express reference to the provision affected thereby and is signed by the Agent for and on behalf of the Lenders or the Majority Lenders, as the case may be.

15.14 This Agreement to Govern

In the event of any conflict between the terms of this Agreement and the terms of any Credit Document, the provisions of this Agreement shall govern to the extent necessary to remove the conflict.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

CORUS ENTERTAINMENT INC.

By: *(signed by John M. Cassaday, President &
Chief Executive Officer)*

Name:

Title:

By: *(signed by Thomas C. Peddie, Executive
Vice President & Chief Financial Officer)*

Name:

Title:

THE TORONTO-DOMINION BANK,
as Administration Agent

By: *(signed by Ronald J. Kowpak, Vice
President, Loan Syndications - Agency)*

Name:
Title:

By:

Name:
Title:

THE TORONTO-DOMINION BANK,
as Lender

By: (signed by Ryan Davis, Vice President)

Name:

Title:

By: (signed by Matt Hendel, Managing Director)

Name:

Title:

THE BANK OF NOVA SCOTIA,
as Lender

By: (signed by Eddy Popp, Director)
Name:
Title:

By: (signed by Rob King, Managing Director)
Name:
Title:

BANK OF MONTREAL,
as Lender

By: (signed by Jeff Currie, Director)
Name:
Title:

By: _____
Name:
Title:

ROYAL BANK OF CANADA,
as Lender

By: *(signed by Brad W. Clarkson, Authorized
Signatory)*

Name:
Title:

By:

Name:
Title:

**CANADIAN IMPERIAL BANK OF
COMMERCE,**

as Lender

By: *(signed by William J. Chrumka, Executive
Director)*

Name:

Title:

By: *(signed by Ben Fallico, Executive Director)*

Name:

Title:

NATIONAL BANK OF CANADA,
as Lender

By: (signed by Luc Bernier, Director)
Name:
Title:

By: (signed by Domenic Albanese, Director)
Name:
Title:

**BANK OF TOKYO-MITSUBISHI UFJ
(CANADA),**
as Lender

By: (signed by Kaiser Islam, Director)

Name:

Title:

By: _____

Name:

Title:

CAISSE CENTRALE DESJARDINS,
as Lender

By: (signed by Rod O'Hara, Managing Director)

Name:

Title:

By: (signed by Jonathan Raiken, Vice President)

Name:

Title:

MIZUHO BANK, LTD.,

as Lender

By: *(signed by W.M. McFarland, Senior Vice
President, Canada Branch)*

Name:

Title:

By:

Name:

Title:

**SUMITOMO MITSUI BANKING
CORPORATION OF CANADA,**
as Lender

By: *(signed by E.R. Langley, Senior Vice
President)*

Name:

Title:

By:

Name:

Title:

ALBERTA TREASURY BRANCHES,
as Lender

By: *(signed by Jim Reader, Managing Director,
ATB Corporate Financial Services)*

Name:

Title:

By: *(signed by Lindsey Ross, Director, ATB
Financial)*

Name:

Title:

CANADIAN WESTERN BANK,
as Lender

By: *(signed by Mykhaylo Hotsaliuk, AVP,
Corporate Lending)*

Name:
Title:

By: *(signed by Richard Hallson, Vice President,
Corporate Lending)*

Name:
Title:

HSBC BANK CANADA,
as Lender

By: *(signed by Jesse MacMasters, Head of Large
Corporate – Ontario)*

Name:
Title:

By: *(signed by Andrew Sclater, Global
Relationship Manager, Corporate Banking)*

Name:
Title:

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SCHEDULES

[Schedules intentionally left blank]