SEDAR Version

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

AMONG

COLABOR GROUP INC.
as Borrower

and

EACH OF THE GUARANTORS IDENTIFIED HEREIN
as Guarantors

and

EACH OF THE FINANCIAL INSTITUTIONS
FROM TIME TO TIME
PARTIES HERETO
as Lenders

and

BANK OF MONTREAL
as Sole Book Runner, Lead Arranger, Syndication Agent, Administrative Agent and Collateral Agent

May 29, 2020

BORDEN LADNER GERVAIS LLP
MONTRÉAL, CANADA

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SECOND AMENDED AND RESTATED CREDIT AGREEMENT

This Agreement is entered into as of May 29, 2020

A M O N G:	**COLABOR GROUP INC.,**
	as Borrower
AND:	**EACH OF THE GUARANTORS IDENTIFIED HEREIN,**
	as Guarantors
AND:	**EACH OF THE FINANCIAL INSTITUTIONS FROM TIME TO TIME PARTIES HERETO,**
	as Lenders
AND:	**BANK OF MONTREAL,**
	Sole Book Runner, Lead Arranger, Syndication Agent, Administrative Agent and Collateral Agent

WHEREAS the Borrower has obtained credit facilities from the Lenders pursuant to a credit agreement dated January 31, 2014 entered into between the Borrower, the Guarantors, the Agent and the Lenders (as amended from time to time, the "**Initial Credit Agreement**").

WHEREAS such Initial Credit Agreement was amended and restated pursuant to an amended and restated credit agreement entered into among the Borrower, the Guarantors, the Agent and the Lenders as of October 13, 2016, as amended by an Amending Agreement no. 1 to the ARCA dated as of June 8, 2018, an Amending Agreement no. 2 to ARCA dated as of August 31, 2018 and an Amending Agreement no. 3 to ARCA dated as of March 14, 2019 (as further amended, from time to time, the "**Amended and Restated Credit Agreement**");

WHEREAS, the parties have agreed to amend and restate, without novation, the Amended and Restated Credit Agreement.

NOW THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1
DEFINED TERMS; INTERPRETATION

1.1 DEFINED TERMS

Unless the context otherwise requires, all capitalized terms used herein without definition shall have the following meanings:

1.1.1 "**Accordion Option**" is defined in Section 2.14.

1.1.2 "**Accounts Receivables Insurance Policy**" means a policy of insurance satisfactory to the Agent and held with Export Development Canada or such other insurer as the Agent shall have approved in writing.

1.1.3 "**Administrative Agent**" has the same meaning as Agent.

1.1.4 "**Affiliate**" is defined in the Provisions.

1.1.5 "**Agent**" means BMO, in its capacity as administrative agent hereunder, and any successor agent appointed under Sections 7.1 or 7.7 of the Provisions and shall include, where the context so requires, the Attorney.

1.1.6 "**Agent-Related Persons**" means the Agent, together with its Affiliates, and the officers, directors, employees, agents and attorneys of the Agent and its Affiliates.

1.1.7 "**Agreement**" means this Second Amended and Restated Credit Agreement, including the Schedules hereto, as the same may be further amended, varied, modified, supplemented, restated, renewed or replaced at any time and from time to time in accordance with the terms hereof.

1.1.8 "**Applicable Laws**" is defined in the Provisions.

1.1.9 "**Application**" is defined in Section 2.7(j) hereof.

1.1.10 "**Attorney**" means the *fondé de pouvoir* appointed pursuant to Article 2692 of the Civil Code of Québec and referred to in Section 10.15 hereof, and includes its successors and assigns in such capacity.

1.1.11 "**Authorized Representative**" means those persons shown on the list of officers provided by the Borrower pursuant to Section 7.2(a)(iii) hereof, or on any update of any such list provided by the Borrower to the Agent, or any further or different officers of the Borrower so named by any Authorized Representative of the Borrower in a written notice to the Agent.

1.1.12 "**Availment Option**" means a method of borrowing which is available to the Borrower under the Credit Facility.

1.1.13 "**Bail-In Action**" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

1.1.14 "**Bail-In Legislation**" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

1.1.15 "**Bank Product**" means any of the following products, services or facilities extended to any Obligor by the Agent or any of its Affiliates: (a) Cash Management Services; (b) commercial credit card and merchant card services; and (c) other banking products or services as may be requested by any Obligor, other than Letters of Credit and Letters of Guarantee but excluding, for greater certainty, any Hedge Contract.

1.1.16 "**Bank Product Debt**" means Debt and other obligations of an Obligor relating to Bank Products.

1.1.17 "**Basis Point**" and "**bp**" each means one one-hundredth of one percent (.01%).

1.1.18 "**Base Rate**" means, on any day, the greater of (a) the annual rate of interest announced from time to time by the Agent as being its reference rate then in effect for determining rates on U.S. Dollar denominated commercial loans made by it in Canada, and (b) the sum of the Federal Funds Effective Rate in effect from time to time (multiplied by 365 or 366/360 if the rate is calculated on the basis of a 360 day year), plus [redacted] Basis Points per annum. **[Redacted for confidentiality reasons]**

1.1.19 "**Base Rate Loan**" means a Loan which is denominated in U.S. Dollars and in respect of which the Borrower has elected to pay interest in accordance with Section 3.1(a).

1.1.20 "**BMO**" means Bank of Montreal and its successors and permitted assigns.

1.1.21 "**Borrower**" means Colabor Group Inc., a Canadian corporation.

1.1.22 "**Borrowing Base**" means, as of any time it is to be determined, the sum (without duplication) of:

(a) up to [redacted] (subject to a dilution test) of the then outstanding unpaid amount of Eligible Accounts (or such lesser percentage as the Agent may determine from time to time pursuant to Section 2.2(b) hereof), other than Insured Eligible Accounts, Investment Grade Eligible Accounts and Investment Grade Equivalent Accounts, less any and all returns, rebates, discounts (which may, at the Agent's option, be calculated on the shortest terms), credits, allowances, finance charges and/or taxes of any nature at any time

issued, owing, available to or claimed by the applicable account debtors, granted, outstanding or payable in connection with such Eligible Accounts at such time; plus

(b) up to [redacted] of the insured portion of the then outstanding unpaid Insured Eligible Accounts (or such lesser percentage as the Agent may determine from time to time pursuant to Section 2.2(b) hereof) to the extent the Agent is the beneficiary or loss payee named under the Accounts Receivable Insurance Policy covering such Insured Eligible Accounts and up to [redacted] of the then outstanding unpaid amount of Investment Grade Eligible Accounts and Investment Grade Equivalent Accounts (or such lesser percentage as the Agent may determine from time to time pursuant to Section 2.2(b) hereof), less any and all returns, rebates, discounts (which may, at the Agent's option, be calculated on the shortest terms), credits, allowances, finance charges and/or taxes of any nature at any time issued, owing, available to or claimed by the applicable account debtors, granted, outstanding or payable in connection with such Insured Eligible Accounts, Investment Grade Eligible Accounts and Investment Grade Equivalent Accounts at such time; plus

(c) the lesser of (i) [redacted] of the Net Orderly Liquidation Value (or such lesser percentage as the Agent may determine from time to time pursuant to Section 2.2(b) hereof) of Eligible Inventory located in Canada or in the United States of America at such time; and (ii) [redacted] of the cost (computed on a FIFO basis or by using an average cost method of inventory valuation applied by the applicable Obligor in accordance with GAAP) (or such lesser percentage as the Agent may determine from time to time pursuant to Section 2.2(b) hereof) of Eligible Inventory located in Canada at such time.

provided that the Borrowing Base shall be computed only as against and on so much of such Collateral as is included on the Certificates to be furnished from time to time by the Borrower pursuant to this Agreement and, if required by the Agent pursuant to any of the terms hereof or any Collateral Document, as verified by such other evidence required to be furnished to the Agent pursuant hereto or pursuant to any such Collateral Document, including, without limitation, independent appraisals prepared by a qualified appraiser mandated by the Agent and field exam reports acceptable to the Agent, and the amount of the Borrowing Base at any time shall be net of any reserves applicable at such time pursuant to Section 2.2(b).

[Redacted for confidentiality reasons]

1.1.23 "**Borrowing Base Certificate**" is defined in Section 7.2(e).

1.1.24 "**Business Day**" means any day of the year other than a Saturday, Sunday or other day on which banks are required or authorized to close in Toronto, Ontario or Montreal, Québec, and, where used in the context of (i) an advance in $US, is also a day on which banks are not required or authorized to close in New

York, New York; and (ii) LIBOR Loans, is also a day on which banks are not required or authorized to close in New York, New York and on which dealings are carried on in the London interbank market in respect of transactions in U.S. Dollars.

1.1.25 "**Canadian Dollar Equivalent**" means, on any given day, the amount of Canadian Dollars which could be purchased with the relevant amount of a currency at the then applicable Spot Rate on such date (and if such date is not a Business Day, on the immediately preceding Business Day) for the purchase of Canadian Dollars with such currency.

1.1.26 "**Canadian Dollars**" and "**$**" means lawful currency of Canada.

1.1.27 "**Canadian Overdraft**" means, subject to the terms hereof, any draw by the Borrower by way of overdraft under the Credit Facility on any of its Canadian Dollar current accounts maintained with the Agent.

1.1.28 "**Capital Asset**" means, at any time, for any Person, the capital or fixed assets of that Person determined on a consolidated basis in accordance with GAAP.

1.1.29 "**Capital Expenditure**" means, for any period, those expenditures made in connection with the acquisition, improvement or maintenance of a Capital Asset, excluding any Capital Lease.

1.1.30 "**Capital Lease**" means any lease of Property which in accordance with GAAP is required to be capitalized on the balance sheet of the lessee.

1.1.31 "**Capitalized Lease Obligation**" means the amount of the liability shown on the balance sheet of any Person in respect of a Capital Lease as determined in accordance with GAAP.

1.1.32 "**Capital Stock**" – means any and all shares (including any preferred shares), interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing, whether voting or non-voting but excluding, for greater certainty, the Debentures.

1.1.33 "**Cash Management Services**" means any services provided from time to time by the Agent or any of its Affiliates to any Obligor in connection with operating, collections, payroll, trust, or other depository or disbursement accounts, including automatic clearinghouse, controlled disbursement, depository, electronic funds transfer, information reporting, lockbox, stop payment, overdraft and/or wire transfer services.

1.1.34 "**CDOR Loan**" means a Loan bearing interest at the CDOR Rate.

1.1.35 "**CDOR Interest Date**" means, with respect to any CDOR Loan, the date falling on the last day of each Contract Period applicable to the CDOR Loan.

1.1.36 "**CDOR Rate**" means, on any day, the annual rate of interest which is the rate determined as being the arithmetic average of the quotations of all institutions listed in respect of the rate for the relevant period of time for Canadian Dollar denominated bankers' acceptances displayed and identified as such on the "Reuters Screen CDOR Page" (as defined in the International Swap and Derivatives Association, Inc. definitions, as modified and amended from time to time) as of 10:00 a.m. Toronto on such day and, if such day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Agent after 10:00 a.m. Toronto to reflect any error in a posted rate of interest or in the posted average annual rate of interest) and if such rate is not available on the Reuters Screen CDOR Page on any particular day, then the Agent's Rate on that day, provided that CDOR Rate shall never be less than 1% per annum.

1.1.37 "**Certificate**" means, in respect of a Person that is not an individual, a written certificate signed in the name of the Person by an appropriate officer thereof and in respect of a Person that is an individual, a written certificate signed by that individual, and includes, without limitation, the Borrowing Base Certificate and the Compliance Certificate.

1.1.38 "**Change of Control**" means any Person or Persons constituting a group acting jointly or in concert (within the meaning of Regulation 62-104 Respecting Take-Over Bids and Issuer Bids) shall become the owner of or exercise control over, directly or indirectly, more than 50% of the outstanding voting securities having ordinary voting power of the Borrower. However, no Change of Control shall occur if (i) the Borrower becomes a direct or indirect wholly owned Subsidiary of a holding company and the direct or indirect holders of the voting securities of such holding company immediately following that transaction are substantially the same as the holders of the voting securities of the Borrower immediately prior to that transaction, and (ii) immediately following that transaction, no Person or Persons (other than a holding company referred to in clause (i) above) constituting a group acting jointly or in concert shall become the owner of, or exercise control over, directly or indirectly, more than 50% of the outstanding voting securities having ordinary voting power of such holding company.

1.1.39 "**Closing Date**" means the date of this Agreement or such later Business Day on which each condition described in Sections 7.1 and 7.2 hereof shall have been satisfied or waived in the manner set out in Section 7.3.

1.1.40 "**Collateral**" means the universality of all property of the Obligors, movable and immovable, present and future, subject to the Liens granted to the Agent pursuant to the Collateral Documents.

1.1.41 "**Collateral Documents**" means all documents or instruments guaranteeing the Obligations or creating a Lien from time to time to secure, directly or indirectly, payment of the Obligations or any part thereof, as contemplated by Section 5.1.

1.1.42 "**Commitment**" means, with respect to any Lender, the principal amount set out beside such Lender's name in Exhibit A, or as may be allocated between and determined by Lenders in the same Lender Group, as amended from time to time, and to the extent not cancelled or terminated hereunder.

1.1.43 "**Compliance Certificate**" means a written certificate in the form attached hereto as Exhibit E signed by the President or the Chief Financial Officer of the Borrower.

1.1.44 "**Contingent Obligations**" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person: (a) with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligor of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto; (b) with respect to any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings; (c) under any Hedge Contract; (d) to make take-or-pay or similar payments if required regardless of non-performance by any other party or parties to an agreement; (e) for the obligations of another through any agreement to purchase, repurchase or otherwise acquire any obligation of another Person or any property constituting security therefor, or to provide funds for the payment or discharge of such obligation; and (f) to maintain the solvency, financial condition or any balance sheet item or level of income of another Person. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported or, if not a fixed and determined amount, the maximum amount so guaranteed or supported.

1.1.45 "**Contract Period**" means the period selected by the Borrowers in accordance with Section 2.5(a) commencing on the Drawdown Date, Rollover Date or Conversion Date, as applicable, in respect of a Loan during which the interest rate with respect to such Loan is established in accordance with and subject to Section 2.7 with respect to LIBOR Loans and CDOR Loans; provided that if such period would otherwise not end on a Business Day, such period shall be extended to the next succeeding Business Day.

1.1.46 "**Conversion**" means the substitution of one form of Availment Option for another and does not constitute a re-borrowing hereunder.

1.1.47 "**Conversion Date**" means the Business Day that the Borrower elects as the date on which a Conversion is to occur.

1.1.48 "**Credit Facility**" is defined in Section 2.1.

1.1.49 "**Credit Limit**" means $90,000,000 or its U.S. Dollar Equivalent, as such limit may be increased pursuant to Section 2.14.

1.1.50 "**Debentures**" means the convertible debentures in the aggregate principal amount of $50,000,000 which a maturity date of October 13, 2021 issued under a trust indenture dated April 27, 2010 between the Borrower and Computershare Trust Company of Canada, as amended by a first supplemental indenture dated October 13, 2016, as may be further amended or modified from time to time.

1.1.51 "**Debt**" of a Person means, without duplication:

(a) all Indebtedness for Borrowed Money of the Person;

(b) all Contingent Obligations of the Person;

(c) any obligation, contingent or other, which is required to be classified in accordance with GAAP upon the Person's balance sheet as a liability, but excluding trade payables incurred in the ordinary course of business; and

(d) any liabilities, contingent, unmatured or otherwise, under indemnities given in respect of any bankers' acceptance, letter of credit or letter of guarantee;

but "**Debt**" exclude any obligation that is on account of reserves for deferred taxes or trade accounts payable and accrued liabilities (including income taxes payable) incurred in the ordinary course of business. For purposes of Section 8.8 hereof, "**Debt**" shall include obligations under any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

1.1.52 "**Debt Service**" means, for any period, without duplication, the amount required by the Borrower and its Subsidiaries to service their outstanding Debt (including Permitted Subordinated Indebtedness) during that period and includes, without limitation, aggregate interest paid or payable by the Borrower and its Subsidiaries for such period, required principal payments on long term debt, payments on Permitted Subordinated Indebtedness, payments required or made under any Capital Lease, the stamping fees and discount rates associated with bankers' acceptances facilities, payments in respect of the redemption, retirement or purchase of any Capital Stock of the Borrower including shares which, by their terms, or upon the happening of any event, mature or are mandatorily redeemable or are redeemable at the option of the holder and such shares are not fully postponed and subordinated in right of payment to the Obligations and the Liens created by the Collateral Documents and any

repayment for termination of the Borrower's employee benefit pension plan as per Section 8.16.

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

1.1.54 "**Defaulting Lender**" means any Lender that (a) has failed to fund any portion of any Extension of Credit or participation therein required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, unless such failure has been cured, (b) has otherwise failed to pay over to the Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute or unless such failure has been cured, (c) has become insolvent or become the subject of a dissolution, liquidation, winding-up, receivership, bankruptcy or insolvency proceeding, or control of which has been taken by any Governmental Authority, or the shares and subordinated debt of which shall have been vested in Canada Deposit Insurance Corporation or any other Governmental Authority, or (d) has a direct or indirect parent company that has become the subject of a Bail-In Action.

1.1.55 "**Designated Jurisdiction**" means any country or territory that is the subject of any Sanction.

1.1.56 "**Drawdown Date"** means any Business Day on which an Extension of Credit is made or is deemed to be made.

1.1.57 "**EBITDA**" means, with reference to any period, Net Income for such period plus, without duplication, all amounts deducted in arriving at such Net Income amount in respect of (i) Interest Expense for such period, plus (ii) income taxes for such period, plus (iii) all amounts properly charged for depreciation of fixed assets and amortization of intangible assets during such period on the books of the Borrower, plus (iv) to the extent they are reported separately in the Borrower's audited financial statements, all gains or losses provided that they are both unrealized and non-cash, plus (v) extraordinary items such as the cash portion of any restructuring fees, related severance costs and acquisition related restructuring costs as agreed by the Lenders, provided that any costs related to the closure of the Summit division shall be capped at a maximum amount of [redacted] for fiscal year 2020. For greater certainty any cash outlays following and related to, a non-cash charge, must reduce EBITDA in the period disbursed. **[Redacted for confidentiality reasons]**

1.1.58 "**EEA Financial Institution**" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a)

of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

1.1.59 "**EEA Member Country**" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

1.1.60 "**EEA Resolution Authority**" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

1.1.61 "**Eligible Accounts**" means all Receivables of the Obligors which are acceptable to the Agent, in its reasonable judgment; provided that in no event shall a Receivable be deemed an Eligible Account unless such Receivable:

(a) arises out of the sale by an Obligor of raw materials, by-products, finished goods Inventory delivered to and accepted by, or out of the rendition by an Obligor of services fully performed by it and accepted by, the account debtor on such Receivable, and such Receivable otherwise represents a final sale;

(b) the account debtor on such Receivable is located within Canada or the United States of America or, if such Receivable has arisen out of the sale of such goods shipped to, or out of the rendition of services to, an account debtor located in any other country, such Receivable is (i) an LC Backed Eligible Account, (ii) is an Insured Eligible Account, or (iii) is otherwise acceptable to the Agent;

(c) is the valid, binding and legally enforceable obligation of the account debtor obligated thereon and such account debtor (i) is not an Obligor or an Affiliate of an Obligor or any other intercompany receivables, (ii) is not a shareholder, director, officer or employee of an Obligor, (iii) is not the Government of Canada or of the United States of America or any province, state or political subdivision thereof, or any department, agency or instrumentality of any of the foregoing, unless the applicable Obligor has complied with any requirements or formalities necessary or desirable in the opinion of the Agent to ensure that the Receivable is subject to a valid and enforceable first ranking Lien in favour of the Agent, to the satisfaction of the Agent, (iv) is not a debtor under or subject to any proceeding, application, notice or stay under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy or insolvency law (including, without limitation, the United States Bankruptcy Code), (v) is not an assignor for the benefit of creditors, (vi) has not failed, suspended or ceased doing business, is not liquidating, dissolving or winding up its affairs, or is not solvent or, in the case of an individual, has not died or become the subject of judicial

declaration of incompetency, or (vii) is not an account debtor who is subject to Sanctions or any specially designated nationals list maintained by OFAC. Notwithstanding the foregoing, the Agent may, at its entire discretion and provided that there is no Event of Default hereunder, accept Receivables owing by the Government of Canada or of the United States of America or any province, state or political subdivision thereof, or any department, agency or instrumentality of any of the foregoing as part of the Eligible Accounts up to a maximum principal amount not exceeding [redacted];

(d) if evidenced by a note, an instrument or a chattel paper, has been endorsed and delivered to the Agent;

(e) is an asset of the applicable Obligor to which it has good and marketable title, is freely assignable, and is subject to a perfected, first ranking Lien in favour of the Agent, subject only to Permitted Liens;

(f) is not owing from an account debtor who is also a creditor or supplier of the applicable Obligor and is not subject to any offset, compensation, contra, counterclaim, holdback, recoupment, allowance, chargeback or other defence or deduction with respect thereto (collectively, a "**Deduction**"). Notwithstanding the above, if such Receivable is subject to any offset, compensation, contra, counterclaim, holdback, recoupment, allowance, chargeback or other defence or deduction, the aggregate amount of such Deduction shall be deducted from the Borrowing Base and, with respect to said Receivable or the contract or purchase order out of which the same arose, no surety bond was required or given in connection therewith;

(g) is evidenced by an invoice rendered by the applicable Obligor to the account debtor thereunder;

(h) is not unpaid more than ninety (90) days after the original invoice evidencing such Receivable, but in any event, not more than sixty (60) days past the date that payment is due. Notwithstanding the foregoing, Investment Grade Eligible Accounts and Investment Grade Equivalent Accounts for seasonal items with promotional terms will be considered as part of the Eligible Accounts up to one hundred and twenty (120) days from invoice date but only up to an aggregate maximum amount not exceeding [redacted];

(i) is not owing from an account debtor or any Affiliate thereof who, together, are obligated on Receivables owed to any Obligor and more than [redacted] of the aggregate unpaid balance of which has been past due for longer than the relevant period specified in (i), unless the Agent has approved in writing the eligibility thereof;

(j) would not cause the total Receivables owing from any one account debtor and its Affiliates to exceed [redacted] of all Eligible Accounts;

(k) would not cause the total Receivables owing from any one account debtor and its Affiliates to exceed any credit limit established for purposes of determining eligibility hereunder by the Agent in its reasonable judgment for such account debtor and its Affiliates and for which the Agent has given the Borrower at least five (5) Business Days' prior notice of the establishment of any such credit limit;

(l) does not arise from a sale to an account debtor on a bill-and-hold, progress billing, pre-billing, guaranteed sale, sale-or-return, sale-on-approval, credit-in-prior, consignment or any other repurchase or return basis and is not subject to any dispute or uncertainty as to collection; and

(m) is not a Receivable with respect to which the prospect of payment or performance by the account debtor is or will be impaired, as determined by Agent.

[Redacted for confidentiality reasons]

1.1.62 "**Eligible Assignee**" is defined in the Provisions.

1.1.63 "**Eligible Inventory**" means all raw materials and finished goods Inventory of the Obligors (other than work in progress, packaging, crating, supplies used or consumed in the Obligors' business, shipping, storing and other ancillary Inventory) which is acceptable to the Agent, in its reasonable judgment; provided that in no event shall Inventory be deemed Eligible Inventory unless such Inventory:

(a) is an asset of an Obligor to which it has good and marketable title, is freely assignable, and is subject to a valid and enforceable, first ranking Lien in favour of the Agent, subject only to Permitted Liens;

(b) is located at facilities owned by the Obligors or, in the case of any facilities not owned by the Obligors, such facilities are at all times subject to a landlord agreement in form and substance satisfactory to the Agent or, in the absence of such landlord agreement, the Agent has applied a reserve with respect to such Inventory in such amounts as the Agent shall deem necessary or appropriate;

(c) is not so identified to a contract to sell that it constitutes, and has not otherwise given rise to, a Receivable;

(d) is not stored with a bailee, consignee, warehouseman, processor or similar party, unless the Agent has given its prior written approval and such bailee, consignee, warehouseman, processor or similar party has issued and delivered to the Agent, in form and substance acceptable to the Agent in its discretion, such waivers, releases or subordination agreements as the Agent shall require or, in the absence of such waivers, releases or subordination

agreements, the Agent has applied a reserve with respect to such Inventory in such amounts as the Agent shall deem necessary or appropriate;

(e) is not damaged, unsaleable, slow-moving, used, obsolete, work in process, and is otherwise of good and merchantable quality, free from any defects which might adversely affect the market value thereof;

(f) is not held on consignment or rental, nor subject to any deposit or down payment;

(g) does not constitute returned or repossessed goods unless same can be resold in ordinary course;

(h) meets all standards imposed by any applicable Governmental Authority;

(i) is situated within the continental United States of America or Canada and is not in transit;

(j) is not subject to any warehouse receipt or negotiable document;

(k) is not subject to a license or other arrangement that restricts an Obligor's or the Agent's right to dispose of such Inventory, unless the Agent has received an appropriate waiver or consent to sub-license in form and substance satisfactory to the Agent;

(l) if it is Inventory in respect of which a Letter of Credit or Letter of Guarantee has been issued, has been consigned to the Agent, on terms and conditions satisfactory to the Agent; and

(m) has not been acquired from an entity subject to Sanctions or any specially designated nationals list maintained by OFAC.

1.1.64 "**Equipment**" means and includes all equipment and any other machinery, tools, fixtures, trade fixtures, furniture, furnishings, office equipment, vehicles and all other property now or hereafter used or usable in connection with an Obligor's business, together with all parts, accessories and attachments relating to any of the foregoing.

1.1.65 "**EU Bail-In Legislation Schedule**" means the EU Bail-In Legislation Schedule published by the Loan Market Association (LMA) (or any successor person), as in effect from time to time.

1.1.66 "**Event of Default**" means any event or condition identified as such in Section 9.1 hereof.

1.1.67 "**Excess Availability**" means, as of any date of determination by the Agent with respect to the Credit Facility (i) the lesser of the Credit Limit and the Borrowing Base, minus (ii) the Canadian Dollar Equivalent of the aggregate principal

amount of all outstanding Extensions of Credit under the Credit Facility as of the close of business on such date. For purposes of calculating Excess Availability and the amount of the Borrowing Base, the Agent may, in the exercise of its reasonable discretion, and without prejudice to its ability to establish other reserves as set out in this Agreement, establish a reserve in an aggregate amount based on the Borrower's consolidated outstanding Debt which is not current (in accordance with its terms of payment as verified by the Agent) or which is past due (including any accounts payables past due) as of such date of determination, to the extent thereof.

1.1.68 "**Excluded Tax**" means, in relation to the Agent or any Lender, any Taxes imposed on the net income or capital of the Agent or any Lender by any Governmental Authority as a result of the Agent or the Lender (a) carrying on a trade or business or having a permanent establishment in any jurisdiction or political subdivision thereof, (b) being organized under the laws of such jurisdiction or any political subdivision thereof, or (c) being or being deemed to be resident in such jurisdiction or political subdivision thereof.

1.1.69 "**Extension of Credit**" means a direct advance or other extension of credit by any Lender to the Borrower pursuant to this Agreement, including for greater certainty, an extension of credit in the form of a Loan, the issuance of a Letter of Credit or Letter of Guarantee, the entering into of a Hedge Contract or any advance under the MasterCard Agreement. Any obligations arising under Hedge Contracts shall be the aggregate negative mark-to-market value of such Hedge Contracts and the amount of any Letter of Credit or Letter of Guarantee shall be deemed to be 100% of the face value thereof at that time.

1.1.70 "**Federal Funds Effective Rate**" means, for any day, a fluctuating rate per annum equal 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 immediately preceding Business Day) by the Federal Reserve Bank of New York or any successor thereto. If such quotation is not available, the "Federal Funds Effective Rate" shall be the average of the quotations for that day on overnight federal funds (those words to have the meaning generally given to them by money market brokers of recognized standing doing business in the U.S.) transactions received by the Agent from three federal funds brokers of recognized standing selected by the Agent.

1.1.71 "**Fee Letter**" means the amended and restated fee letter agreement between the Agent and the Borrower in connection with the Credit Facility.

1.1.72 "**Fiscal Month**" means, in respect of each Obligor, each period of 4 or 5 consecutive weeks identified in Exhibit G hereto.

1.1.73 "**Fixed Charge Coverage Ratio**" means, for any period, with reference to the Borrower and its Subsidiaries on a consolidated basis (a) EBITDA, less cash

income taxes paid, dividends and distributions paid and non-financed Capital Expenditures divided by (b) Debt Service.

1.1.74 "**FX Agreement**" means a Hedge Contract which may be entered into between the Borrower and any Permitted Hedge Provider pursuant to Section 2.8 hereof solely for the purpose of hedging currency fluctuation risks incurred by the Borrower in the normal course of business and not for speculation purposes.

1.1.75 "**GAAP**" means generally accepted accounting principles as in effect from time to time in Canada, applied by the Borrower and its Subsidiaries on a basis consistent with the preparation of the Borrower's most recent financial statements furnished to the Agent pursuant to this Agreement, and subject to the provisions of Section 1.3.

1.1.76 "**Governmental Authority**" is defined in the Provisions.

1.1.77 "**Guarantors**" means collectively Les Pêcheries Norref Québec Inc., Colabor Management Inc., Colabor Limited Partnership, 2096935 Ontario Limited, Transport Paul-Émile Dubé Ltée and 10028045 Canada Inc., as guarantors of the Obligations of the Borrower under the Loan Documents, and any other Person which hereafter becomes a Subsidiary of any Obligor and executes Collateral Documents and other Loan Documents, as required pursuant to Section 8.13 hereof.

1.1.78 "**Hazardous Materials**" means any contaminant, pollutant or substance that is likely to cause harm or degradation to the surrounding environment or risk to human health, and without restricting the generality of the foregoing, includes any pollutant, contaminant, waste, hazardous waste or dangerous goods present in such quantity or state that it contravenes any Requirements of Environmental Law.

1.1.79 "**Hedge Contract**" means any agreement or similar arrangement designated to protect against or mitigate the effect of fluctuations in interest rates or currencies which the Borrower enters into from time to time pursuant to Section 2.8 hereof, and which constitutes a Permitted Hedge Contract.

1.1.80 "**Impacted Lender**" means any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Extensions of Credit were required to be funded hereunder or (ii) pay to the Agent or any Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Agent in writing that it does not intend to comply with its funding obligations hereunder, (c) has failed, within ten Business Days after written request by the Agent or the Borrower, to confirm in writing to the Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be an Impacted Lender pursuant to this clause (c) upon receipt of such written confirmation by the Agent and the Borrower)

or (d) has become insolvent or become the subject of a dissolution, liquidation, winding-up, receivership, bankruptcy or insolvency proceeding, or control of which shall have been taken by any Governmental Authority, or the shares and subordinated debt of which shall have been vested in Canada Deposit Insurance Corporation or any other Governmental Authority.

1.1.81 "**Indebtedness for Borrowed Money**" means, for any Person (without duplication) (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all indebtedness for the deferred purchase price of property or services, (iii) all indebtedness secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (iv) all Capitalized Lease Obligations of such Person, and (v) all obligations of such Person on or with respect to letters of credit, bankers' acceptances and other extensions of credit, whether or not representing obligations for borrowed money.

1.1.82 "**Indemnitees**" means the Agent, the Attorney, the Lenders, and their successors and assigns, any agent or mandatary of them or such successors or assigns (specifically including a receiver or receiver-manager) and the respective officers, directors and employees of each of the foregoing.

1.1.83 "**Insured Eligible Accounts**" means Eligible Accounts insured through an Accounts Receivables Insurance Policy.

1.1.84 "**Intellectual Property**" means all trade or brand names, business names, trade marks (including logos), trade mark registrations and applications, brand names, service marks, service mark registrations and applications, copyrights, copyright registrations and applications, issued patents and pending applications and other patent rights, industrial design registrations, pending applications and other industrial design rights, trade secrets, proprietary information and know how, equipment and parts lists and descriptions, instruction manuals, inventions, inventors' notes, research data, blueprints, drawings and designs, formulae, processes, technology and other intellectual property, together with all registered user agreements, technology transfer agreements and other agreements or instruments relating to any of the foregoing.

1.1.85 "**Intercreditor Agreement**" means the second amended and restated subordination agreement to be entered into between the Agent, Fonds de solidarité des travailleurs du Québec (F.T.Q.) and the Obligors pursuant to terms and conditions satisfactory to the Agent and the Lenders, as further amended, replaced, restated, supplemented or otherwise modified from time to time.

1.1.86 "**Interest Expense**" means, with reference to any period, the sum of all interest charges (including imputed interest charges with respect to Capitalized Lease

Obligations and all amortization of debt discount and expense) of the Borrower and its Subsidiaries for such period determined in accordance with GAAP.

1.1.87 "**Interest Payment Date**" means, in respect of the Credit Facility, the first Business Day of each month or such other day of each month as the Agent, the Lenders and the Borrower may otherwise agree.

1.1.88 "**Inventory**" means and includes all inventory and any other Property which are held for sale or lease or are to be furnished under contracts of service or consumed in an Obligor's business, all Property which is raw materials or finished goods covered in Eligible Inventory, all goods which are returned or repossessed goods, and all materials and supplies of every kind and nature used or usable in connection with the acquisition, manufacture, processing, supply, servicing, storing, packing, shipping, advertising, selling, leasing or furnishing of the foregoing, and any constituents or ingredients thereof.

1.1.89 "**Investment Grade Eligible Accounts**" means Eligible Accounts which have either i) a Standard & Poor's rating of [redacted] or better, or ii) a Moody's rating of Baa3 or better. **[Redacted for confidentiality reasons]**

1.1.90 "**Investment Grade Equivalent Accounts**" means the Eligible Accounts of each of the following entities: [redacted] and other entities as may be added or deleted by the Agent from time to time. **[Redacted for confidentiality reasons]**

1.1.91 "**ISDA Master Agreement**" means the applicable standard Master Agreement of the International Swaps and Derivatives Association, Inc. in effect from time to time and includes all its schedules, credit support annexes and all confirmations documented pursuant thereto.

1.1.92 "**Issuing Bank**" is defined in the Provisions. On the date hereof, the Issuing Bank is BMO.

1.1.93 "**Lead Swap Arranger**" means BMO and its successors and assigns.

1.1.94 "**L/C Lender**" shall have the same meaning as Issuing Bank.

1.1.95 "**LC Backed Eligible Accounts**" means Eligible Accounts the payment of which is backed by a valid and irrevocable letter of credit or letter of guarantee pursuant to which the applicable Obligor or its transferee may draw on a financial institution acceptable to the Agent for the full amount of such Eligible Accounts.

1.1.96 "**Lender Group**" means those Lenders identified in the first column of Exhibit A, as such Exhibit may be amended or replaced from time to time, as being part of the same group.

1.1.97 "**Lenders**" means the banks and other financial institutions named on the signature pages of this Agreement and any Eligible Assignee and their successors, and "Lender" means any or all of them if the context so requires. For greater certainty, without limiting the generality of the foregoing, the term "Lenders" includes BMO, in its capacity as Swingline Lender, Lead Swap Arranger and L/C Lender and provider of the MasterCard Facility.

1.1.98 "**Letter of Credit**" or "**L/C**" means a standby and/or commercial letter of credit issued by the L/C Lender on behalf of the Lenders at the request and for the account of the Borrower under the Credit Facility.

1.1.99 "**Letter of Guarantee**" means a letter of guarantee issued by the L/C Lender on behalf of the Lenders at the request and for the account of the Borrower under the Credit Facility.

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

1.1.101 "**LIBO Rate Loan**" shall have the same meaning as LIBOR Loan.

1.1.102 "**LIBOR**" means, for any interest period for each LIBOR Loan, an interest rate per annum equal to the aggregate of (a) the rate per annum (expressed on the basis of a 360 day year) determined by the Agent as being the rate shown on Reuters Screen LIBOR01 Page (or such other commercially available source providing such quotations as may be designated by the Agent from time to time) as of 11:00 a.m. (London, England time), two (2) Business Days prior to the first day of such interest period, for USDollars, deposits for a period comparable to such interest period, and if different rates are quoted for USDollars, deposits in varying amounts, in an amount which is closest to such LIBOR Loan, If such rate is not available on such day, "LIBOR" means, for the Contract Period, the interest rate per annum, as a percentage, which the Agent, in accordance with its normal practice, would be prepared to offer to leading banks in the European Interbank Market, for delivery on the first day of the Contract Period and for such Contract Period deposits in US Dollars of comparable amounts to such of the LIBOR Loan, at or about 11:00 a.m. (Brussels time) on the second Business Day prior to the date of such LIBOR Loan, provided that LIBOR shall never be less than 1% per annum.

1.1.103 "**LIBOR Interest Date**" means, with respect to any LIBOR Loan, the date falling on the last day of each Contract Period applicable to the LIBOR Loan and, if the applicable Contract Period is longer than three (3) months, the date falling every three (3) months after the beginning of the Contract Period.

1.1.104 "**LIBOR Loan**" means a Loan which is denominated in U.S. Dollars and in respect of which the Borrower has elected to pay interest in accordance with Section 3.1(a).

1.1.105"**Lien**" means any mortgage, hypothec, lien, security interest, pledge, charge, prior claim, reservation of ownership or encumbrance of any kind in respect of any Property, including the right of ownership of a vendor or lessor under any instalment sale, Capital Lease or other title retention arrangement.

1.1.106"**Loan**" means any extension of credit by the Agent and the Lenders under this Agreement, including by way of Prime Rate Loans, Base Rate Loan, CDOR Loans or LIBOR Loans, except for any Letter of Credit or participation in a Letter of Credit.

1.1.107"**Loan Documents**" means this Agreement, the Applications, the Hedge Contracts, the MasterCard Agreement, the Collateral Documents, the Certificates, the Fee Letter, the Intercreditor Agreement and all guarantees and other documents and agreements required or contemplated hereunder.

1.1.108"**Majority Lenders**" means (a) if there are three (3) lenders or less, all the Lenders; or (b) if there are more than three (3) lenders, the Lenders having at least [redacted] of the Total Commitment; provided however, that the Commitments of, and the outstanding Obligations owing to, any Defaulting Lender shall be excluded from all calculations for purposes of making a determination of the Majority Lenders. **[Redacted for confidentiality reasons]**

1.1.109"**MasterCard Advances**" is defined in Section 2.9 hereof.

1.1.110"**MasterCard Agreement**" means, collectively, the BMO ePurchasing Solutions Corporate MasterCard Program Account Agreement (and all its Schedules) between the Borrower and BMO and all other documents customarily required by BMO in connection with the issuance of MasterCard corporate cards.

1.1.111"**MasterCard Limit**" means $500,000 or its U.S. Dollar Equivalent.

1.1.112"**Material Adverse Effect**" means a material adverse effect on (i) the ability of the Borrower or any other Obligor to perform and discharge its obligations under this Agreement or any of the other Loan Documents, (ii) the Agent or any Lender's ability to enforce its rights under this Agreement or any of the other Loan Documents, or (iii) the business, operations, prospects, Property or financial condition of the Borrower or of the other Obligors taken as a whole.

1.1.113"**Net Income**" means, with reference to any period, the net income (or net loss) of the Borrower and its Subsidiaries for such period as computed on a consolidated basis in accordance with GAAP.

1.1.114"**Net Orderly Liquidation Value**" means the appraised value of unencumbered (except to the Agent) Eligible Inventory net of liquidation expenses, conducted on a net orderly liquidation basis, and confirmed in an

appraisal report satisfactory to the Agent by an accredited appraiser mandated by the Agent at the expense of the Borrower.

1.1.115"**Notice of Optional Prepayment**" means an irrevocable notice delivered by the Borrower to the Agent pursuant to Section 4.4 substantially in the form of Exhibit F.

1.1.116"**Obligations**" means all obligations of the Borrower to pay principal, interest and fees in connection with Extensions of Credit and all other obligations of the Obligors arising under, in relation to, or in respect of, the Loan Documents or any of them, in each case whether now existing or hereafter arising, due or to become due, direct or indirect (including Contingent Obligations), joint or solidary, and howsoever evidenced, held or acquired, including the Bank Product Debt.

1.1.117"**Obligors**" shall have the meaning ascribed to such term in the Provisions.

1.1.118"**OFAC**" means the Office of Foreign Assets Control of the U.S. Treasury Department.

1.1.119"**Participant**" shall have the meaning ascribed to such term in Section 10.4 of the Provisions.

1.1.120"**Permitted Collateral Locations**" is defined in Section 8.16 hereof.

1.1.121"**Permitted Hedge Contract**" means any Swap Agreement or FX Agreement entered into between the Borrower and a Permitted Hedge Provider.

1.1.122"**Permitted Hedge Provider**" means the Lead Swap Arranger, any other Lender and any of their Affiliates.

1.1.123"**Permitted Liens**" shall mean the Liens described in Section 8.9.

1.1.124"**Permitted Subordinated Indebtedness**" means the secured term subordinated loan in the maximum oustanding principal amount, as of the date hereof, of $15,000,000 granted to the Borrower by Fonds de solidarité des travailleurs du Québec (F.T.Q.) which is expressly subordinated and postponed to the prior repayment of the Loans pursuant to the Intercreditor Agreement.

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

1.1.126"**Potential Statutory Priority Amount**" at any time means the aggregate of all amounts payable by an Obligor at such time which if not paid or remitted when due could result in a Statutory Lien, ranking prior or *pari passu* with the Collateral, the whole as determined to the satisfaction of the Agent.

1.1.127"**Prime Loan**" means a Loan which is denominated in Canadian Dollars and in respect of which the Borrower has elected to pay interest in accordance with Section 3.1(a).

1.1.128"**Prime Rate**" means, for any day, the greater of: (i) the floating annual rate of interest established by the Agent from time to time as the reference rate it will use to determine rates of interest on Canadian Dollar loans to customers in Canada and designated as its prime rate, as in effect on such day; and (ii) the 30-day CDOR Rate applicable on such day plus 100 Basis Points per annum. Any change in Prime Rate shall be effective on the date the change becomes effective generally.

1.1.129"**Properly Contested**" means, with respect to any obligation of an Obligor, (a) the obligation is subject to a bona fide dispute regarding the amount or the Obligor's liability to pay; (b) the obligation is being properly contested in good faith by appropriate proceedings promptly instituted and diligently pursued; (c) appropriate reserves have been established in accordance with GAAP; (d) non-payment could not have a Material Adverse Effect; (e) no Lien is imposed on assets of the Obligor, unless bonded and stayed to the satisfaction of Agent; and (f) if the obligation results from entry of a judgment or other order, such judgment or order is stayed pending appeal or other judicial review.

1.1.130"**Property**" means any property or asset, whether immovable or real, movable or personal, corporeal or tangible or incorporeal or intangible.

1.1.131"**Provisions**" shall have the meaning ascribed to such term in Schedule 11.15.

1.1.132"**Rateable Portion**" means, with reference to any Lender, (a) prior to acceleration of the Obligations, the fraction that the Lender's Commitment represents of the Total Commitment determined without regard to the Swingline Limit and (b) after acceleration of the Obligations, the fraction that the Obligations owed to that Lender represents of all Obligations after the adjustments required under Section 10.12 hereof.

1.1.133"**Receivable**" means any account, account receivable, receivable, book debt and any other form of monetary obligation owing to an Obligor, including any right of an Obligor to payment for goods sold or leased or for services rendered, whether or not earned by performance.

1.1.134"**Required Lenders**" shall have the same meaning as Majority Lenders.

1.1.135"**Requirements of Environmental Law**" means (i) obligations under civil law and Applicable Laws, (ii) requirements imposed by or pursuant to statutes, regulations and by-laws, (iii) requirements announced by a Governmental Authority as having immediate effect, provided that at the time of making such announcement such Governmental Authority also states its intention of enacting legislation to confirm such requirements retroactively, (iv) all

directives, policies and guidelines issued by any Governmental Authority charged with the administration thereof which purport to have the force of law, and (v) all requirements imposed under any clean-up, compliance or other order made pursuant to any of the foregoing, in each and every case relating to environmental, health or safety matters including, but not limited to, all such obligations and requirements which relate to solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation and exposure to Hazardous Materials.

1.1.136 "**Rollover**" means the renewal of an Availment Option upon its maturity in the same form, and does not constitute a reborrowing hereunder.

1.1.137 "**Rollover Date**" means the Business Day that the Borrower elects as the date on which a Rollover is to occur.

1.1.138 "**Sanction**" means any sanction administered or enforced by the U.S. Government (including OFAC), United Nations Security Council, European Union, Her Majesty's Treasury or other sanctions authority.

1.1.139 "**Secured Parties**" means the Agent, the Attorney, the L/C Lender, the Lenders, the Permitted Hedge Providers and the providers of any Bank Product; and "Secured Party" means any one of them.

1.1.140 "**Solvent**" means, as to any Person, that (i) the aggregate of such Person's Property is, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all such Person's obligations and liabilities (including Contingent Obligations), due and accruing due; (ii) such Person is able to meet its obligations generally as they become due; (iii) such Person has not ceased paying its current obligations in the ordinary course of business generally as they become due; (iv) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond its ability to pay as such debts and liabilities mature; (v) such Person has capital sufficient to carry on its business and transactions and all business and transactions in which it is about to engage; and (vi) such Person is otherwise solvent under Applicable Laws.

1.1.141 "**Spot Rate**" means, on any day, for the purpose of calculations under this Agreement of the amount of Canadian Dollars into which U.S. Dollars may be converted or the amount of U.S. Dollars into which Canadian Dollars may be converted, the spot rate of exchange quoted by the Bank of Canada as its offering rate for wholesale transactions at approximately noon (Toronto time) on the effective date of such conversion; provided that if at the time of any such determination, no such spot rate can be reasonably quoted, the Agent may use any commercially reasonable method to determine such rate hereunder, and such determination shall be conclusive absent manifest error.

1.1.142"**Statutory Lien**" means a Lien or other right of preference in respect of any Property of any Obligor created by or arising pursuant to any Applicable Laws (including, without limitation, the *Bankruptcy and Insolvency Act* (Canada), the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan* (Canada), the *Employment Insurance Act* (Canada) and any legislation in any jurisdiction similar to or enacted in replacement of the foregoing from time to time) and for greater certainty specifically includes a Lien which secures obligations of any Obligor in respect of employee wages and vacation pay.

1.1.143"**Subsidiary**" means any corporation or other Person more than 50% of the outstanding ordinary voting shares or other equity interests of which is at the time directly or indirectly owned by the Borrower, by one or more of its Subsidiaries, or by the Borrower and one or more of its Subsidiaries.

1.1.144"**Swap Agreement**" means a Hedge Contract which may be entered into between any Permitted Hedge Provider and the Borrower pursuant to Section 2.8 hereof solely for the purpose of hedging the interest rate fluctuation risks incurred by the Borrower in the normal course of business and not for speculative purposes, the whole in form and substance satisfactory to the Lead Swap Arranger.

1.1.145"**Swingline Lender**" means BMO and its successors and permitted assigns in such capacity.

1.1.146"**Swingline Limit**" means $13,500,000 or its U.S. Dollar Equivalent.

1.1.147"**Swingline Loan**" means a Loan made by the Swingline Lender in accordance with, and subject to the provisions of, Section 2.3.

1.1.148"**Taxes**" is defined in the Provisions.

1.1.149"**Termination Date**" means the earlier of (i) October 13, 2021, (ii) 120 days prior to the maturity date of the Permitted Subordinated Indebtedness, or (iii) such earlier date on which the Credit Facility is terminated in whole pursuant to Section 3.7, 9.2 or 9.3 hereof.

1.1.150"**Total Commitment**" means $90,000,000 or its U.S. Dollar Equivalent, as such limit may be increased pursuant to the provisions of Section 2.14.

1.1.151"**Unanimous Lenders**" means all of the Lenders, excluding any Defaulting Lenders.

1.1.152"**U.S.**" means the United States of America.

1.1.153"**U.S. Dollar Equivalent**" means, on any given date, the amount of U.S. Dollars which could be purchased with the relevant amount of a currency at the then applicable Spot Rate on such date (and if such date is not a Business Day, on

the immediately preceding Business Day) for the purchase of U.S. Dollars with such currency.

1.1.154 "**U.S. Dollars**" or "**$U.S.**" means lawful currency of the U.S.

1.1.155 "**U.S. Overdraft**" means, subject to the terms hereof, any draw by the Borrower by way of overdraft under the Credit Facility on any of its U.S. Dollar current accounts maintained with the Agent in Canada.

1.1.156 "**Write-Down and Conversion Powers**" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described EU Bail-In Legislation Schedule.

1.2 INTERPRETATION

The definitions are equally applicable to both the singular and plural forms of the terms defined. The words "**hereof**", "**herein**" and "**hereunder**" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references to time of day herein are references to either Montreal, Quebec time or Toronto, Ontario time unless otherwise specifically provided. All dollar amounts set out herein are in Canadian Dollars unless otherwise indicated. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement. In the computation of periods of time from a specified date to a later specified date, "from" means "from and including," and "to" and "until" each mean "to but excluding." The terms "including" and "include" shall mean "including, without limitation". No provision of any Loan Documents shall be construed against any party by reason of such party having, or being deemed to have, drafted the provision. Section titles appear as a matter of convenience only and shall not affect the interpretation of any Loan Document. Unless otherwise expressly stated, all references to (a) laws or statutes include all related rules, regulations, interpretations, amendments and successor provisions; (b) any document, instrument or agreement include any amendments, amendments and restatements, waivers and other modifications, extensions or renewals (to the extent permitted by the Loan Documents); (c) any section means, unless the context otherwise requires, a section of this Agreement; (d) any exhibits or schedules mean, unless the context otherwise requires, exhibits and schedules attached hereto, which are hereby incorporated by reference; and (e) any Person includes successors and assigns of such Person.

1.3 GAAP

Unless otherwise specifically provided herein, any accounting term used in this Agreement shall have the meaning customarily given such term in accordance with GAAP and all financial computations hereunder shall be computed in accordance with GAAP consistently applied. That certain items or computations are explicitly modified by the phrase "in accordance with GAAP"

shall in no way be construed to limit the foregoing. If any "Accounting Changes" (as defined below) occur and such changes result in a change in the calculation of the financial covenant set forth in Section 8.7, standards or terms used in this Agreement or any other Loan Documents, then the Borrower, the Agent and the Lenders agree to enter into negotiations in good faith in order to amend such provisions of this Agreement or such other Loan Documents so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the financial condition of any Obligor shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made; provided, however, that the agreement of Majority Lenders to any required amendments of such provisions shall be sufficient to bind all Lenders. "**Accounting Changes**" means (i) changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants (or successor thereto or any agency with similar functions), (ii) changes in accounting principles concurred in by the Borrower's independent chartered accountants, and (iii) the reversal of any reserves established as a result of purchase accounting adjustments. All such adjustments resulting from expenditures made subsequent to the date of this Agreement (including capitalization of costs and expenses or the payment of liabilities incurred prior to the date of this Agreement) shall be treated as expenses in the period the expenditures are made and deducted as part of the calculation of EBITDA in such period. If the Agent, the Borrower and the Majority Lenders agree upon the required amendments (and all other Obligors shall be deemed to agree to such amendments so agreed to by the Borrower), then after appropriate amendments have been executed and the underlying Accounting Change with respect thereto has been implemented, any reference to GAAP contained in this Agreement or in any other Loan Documents shall, only to the extent of such Accounting Change, refer to GAAP, consistently applied after giving effect to the implementation of such Accounting Change. Until such time as the Agent, the Borrower and the Majority Lenders agree upon the required amendments, all financial statements delivered and all calculations of financial covenants and other standards and terms in accordance with this Agreement and the other Loan Documents shall be prepared, delivered and made without regard to the underlying Accounting Change.

ARTICLE 2
THE CREDIT FACILITY

2.1 ESTABLISHMENT OF THE CREDIT FACILITY

Subject to the terms and conditions of this Agreement, the Lenders hereby establish a committed revolving credit facility in favour of the Borrower in the aggregate principal amount of up to the Credit Limit (the "**Credit Facility**"). The aggregate of all Loans made to the Borrower under the Credit Facility shall not exceed at all times the Credit Limit, subject to any further limits, restrictions and conditions contained in this Agreement.

2.2 AVAILABILITY OF THE CREDIT FACILITY

(a) Subject to the provisions of this Agreement, the Borrower may borrow, repay and reborrow under the Credit Facility up to the Credit Limit, provided that, notwithstanding any provision herein to the contrary, at no time shall the Canadian Dollar Equivalent of the aggregate principal amount of all Extensions of Credit under the Credit Facility (including without duplication (x) the MasterCard Limit,

(y) the face amount of all Letters of Credit and Letters of Guarantee then outstanding, and (z) the negative mark-to-market value of all Hedge Contracts then outstanding up to [redacted] or the U.S. Dollar Equivalent thereof), exceed the lesser of (i) Borrowing Base and (ii) the Credit Limit. **[Redacted for confidentiality reasons]**

(b) Notwithstanding any other provision of this Agreement to the contrary, the Agent, acting reasonably, shall have the right from time to time to establish reserves against the amount of the Credit Facility which the Borrower may otherwise request hereunder in such amounts as the Agent may from time to time establish or revise its in sole discretion, to reflect events, conditions, contingencies or risks related to the Borrower or the Credit Facility as the Agent shall deem necessary or appropriate. The amount of any such reserves shall be subtracted from the Borrowing Base when calculating the amount of availability under the Credit Facility. Additionally, the Agent may from time to time reduce the percentages applicable to Eligible Accounts and Eligible Inventory as they relate to the Borrowing Base to the extent determined necessary or appropriate by the Agent in its reasonable credit judgment. Without in any way limiting the generality of the foregoing, the Borrower acknowledges that the Agent shall at all times establish a reserve equal to the Potential Statutory Priority Amount and to the accounts payable past due against the amount of the Borrowing Base.

(c) Subject to the terms and conditions hereof, the Credit Facility may be availed of by the Borrower from time to time during the period from and including the date hereof to but not including the Termination Date, at which time the Commitment of each Lender shall expire.

(d) Subject to the provisions of this Agreement:

(i) each Lender agrees to severally make its Commitment under the Credit Facility available to the Borrower:

(1) in Canadian Dollars by way of Prime Loans and CDOR Loans; provided, however, that only the Swingline Lender may make available to the Borrower advances by way of overdraft in Canadian Dollars or U.S. Dollars not in excess of the Swingline Limit, to the extent and as set out in Section 2.3;

(2) in U.S. Dollars, by way of LIBOR Loans and Base Rate Loans;

(3) by entering into Hedging Contracts contemplated by Section 2.8; and

(4) by way of the issuance of Letters of Credit or Letters of Guarantee in Canadian Dollars or in U.S. Dollars.

(ii) BMO agrees to make its Commitment under the Credit Facility available to the Borrower by entering into the MasterCard Agreement.

(e) Each Prime Loan shall be in a minimum aggregate principal amount of $1,000,000 and larger whole multiples of $100,000. Each Base Rate Loan shall be in a minimum aggregate principal amount of U.S. $1,000,000 and larger whole multiples of U.S.$100,000.

(f) The Borrower agrees that at no time during the term of this Agreement shall it have outstanding more than ten (10) CDOR Loans and Libor Loans.

2.3 SWINGLINE LOAN

(a) The Borrower may open, with the consent of the Swingline Lender, a deposit account denominated in Canadian Dollars and a deposit account denominated in U.S. Dollars (each, a "**Deposit Account**" and collectively, the "**Deposit Accounts**") at the branch of the Swingline Lender located at [redacted] or at such other branch of the Swingline Lender as may be agreed upon by the Swingline Lender and the Borrower from time to time (the "**Designated Branch**"). The Borrower shall deposit into or have credited to its Deposit Account all cash, cheques, other negotiable instruments acceptable for deposit by the Swingline Lender, wire transfers, direct deposits, pre-authorized payments, and all other forms of payment or credit regardless of the support (paper, electronic or otherwise) payable to the Borrower. **[Redacted for confidentiality reasons]**

(b) The Borrower may open, with the consent of the Swingline Lender, a disbursement account denominated in Canadian Dollars and a disbursement account denominated in U.S. Dollars (each, a "**Disbursement Account**" and collectively, the "**Disbursement Accounts**") at the Designated Branch.

(c) The Borrower, at the request of the Swingline Lender, shall open a swingline account denominated in Canadian Dollars and a swingline account denominated in U.S. Dollars (each, a "**Swingline Account**" and collectively, the "**Swingline Accounts**") at the Designated Branch.

(d) The Borrower shall use each of its Deposit Accounts, Disbursement Accounts and Swingline Accounts in accordance with the instructions issued from time to time by the Swingline Lender in its sole discretion. The Borrower shall sign all documents requested from time to time by the Swingline Lender for the opening and operation of the Deposit Accounts, Disbursement Accounts and Swingline Accounts. The Borrower hereby consents to all transfers to be made from time to time and contemplated in this Section 2.3.

(e) The Swingline Lender shall transfer at the end of each Business Day the balance, if any, in each Deposit Account denominated in Canadian Dollars into the Swingline Account denominated in Canadian Dollars. The Swingline Lender shall transfer at

the end of each Business Day the balance, if any, in each Deposit Account denominated in U.S. Dollars into the Swingline Account denominated in U.S. Dollars.

(f) To the extent the Borrower would be entitled to obtain Extensions of Credit under the Credit Facility, the Swingline Lender shall transfer the debit balance in any Disbursement Account at the end of any Business Day into the Swingline Account denominated in the same currency as such Disbursement Account. The debit balance from time to time in any Swingline Account shall be deemed to be, as applicable, a Prime Loan by way of Canadian Overdraft or a Base Rate Loan by way of U.S. Overdraft, owing by the Borrower to the Swingline Lender under its Commitment for the Credit Facility and the credit balance from time to time in any Swingline Account shall be applied by the Swingline Lender as a repayment of outstanding Swingline Loans. If, at any time, all Swingline Loans have been repaid, any credit balance in any Swingline Account shall remain in such Swingline Account until the Borrower obtains an additional Swingline Loan. If the cash dominion is triggered as per Section 5.2 of this Agreement, the Canadian Overdraft and the US Overdraft availabilities shall be permanently cancelled.

(g) It is the intention of the parties hereto that Swingline Loans are to be available to the Borrower pending the obtaining of other Extensions of Credit under the Credit Facility (other than the issuance of a Letter of Credit or a Letter of Guarantee). Accordingly, the Borrower shall ensure that the aggregate amount of all Swingline Loans, at any time outstanding, never exceeds the Swingline Limit. Notwithstanding the foregoing, if on any Business Day there are outstanding Swingline Loans, the Swingline Lender may deliver a written notice to the Agent, and the Agent will provide such notice to each Lender, requiring repayment of all Swingline Loans (or such lesser amount as the Swingline Lender may specify) then outstanding. Such written notice from the Swingline Lender shall be delivered not later than 11:00 a.m. (Toronto time) one Business Day prior to the proposed date of repayment of all Swingline Loans (or such lesser amount as the Swingline Lender may specify) then outstanding. The Borrower shall be deemed to have given at such time a Borrowing Notice to the Agent requesting, as applicable, Prime Loans or Base Rate Loans under the Credit Facility in an amount equal to the repayment amount specified by the Swingline Lender and the Lenders shall make such requested Loans on the next Business Day and the Agent shall apply the proceeds thereof in repayment of the Swingline Loans then outstanding. The Agent shall promptly notify the Borrower of any such Loans made, and the Borrower agrees to accept each such Loan and hereby irrevocably authorizes and directs the Agent to apply the proceeds thereof in payment of Swingline Loans as aforesaid.

(h) Notwithstanding Article 5 of the Provisions, prior to the occurrence and continuation of any Event of Default, with respect to the Lenders, the Swingline Lender may obtain any payment in any manner whatsoever in respect of the Swingline Loan, retain such payment and apply same against the Swingline Loan and other amounts owing in respect of the Swingline Loan (including, without

limitation, interest) and shall have no obligation to remit to or share with any Lender such payment.

(i) The Swingline Lender shall, in consultation with the Borrower, establish the maximum debit balance authorized at any time under each Swingline Account.

(j) The Swingline Lender shall not be under any obligation to make any Swingline Loan if any Lender is at such time a Defaulting Lender or an Impacted Lender hereunder, unless the Swingline Lender has entered into arrangements satisfactory to the Swingline Lender with the Borrower or such Lender to eliminate the Swingline Lender's risk with respect to such Lender.

2.4 OBLIGATIONS OF THE LENDERS

Subject to the terms and conditions of this Agreement, each Lender severally agrees to make available its Rateable Portion of each Extension of Credit to the Borrower. No Lender shall be responsible for a Commitment of any other Lender. The failure of a Lender to make available an Extension of Credit in accordance with its obligations under this Agreement shall not release any other Lender from its applicable obligations. Notwithstanding anything to the contrary in this Agreement, no Lender shall be obligated to make Extensions of Credit available to the Borrower in excess of its Commitment. The obligation of each Lender to make its Commitment available to the Borrower is a separate obligation between each Lender and the Borrower, and that obligation is not the several or solidary obligation of any other Lender.

2.5 BORROWING PROCEDURES - GENERAL

(a) The Borrower shall give written notice to the Agent (which notice shall be irrevocable once given), in the form of Exhibit B, by no later than the time specified in the chart below (where applicable) on the date the Borrower requests the Lenders to make an Extension of Credit hereunder. Each notice given in respect of a Prime Loan and Base Rate Loan shall indicate the amount of the required Loan and the date funds are required. Each notice given in respect of a LIBOR Loan or a CDOR Loan shall indicate the amount of the required Loan, the date funds are required and the duration of the initial Contract Period applicable thereto. Each notice given in respect of a Letter of Credit or Letter of Guarantee shall indicate the amount of the Letter of Credit or Letter of Guarantee to be issued, the applicable Contract Period, the beneficiary, the terms of draw under the requested Letter of Credit or Letter of Guarantee and all other relevant information. Each notice given in respect of a Hedge Contract shall indicate the amount of the Hedge Contract and all other relevant information which the Agent may request. No notices are required for advances pursuant to the MasterCard Agreement.

Type of Extension of Credit	Time of Notice
Prime Loans and Base Rate Loans less than or equal to U.S. or Cdn.$10 million, as applicable	Before 11:00 a.m. one Business Day prior to the requested Drawdown Date.
Prime Loans and Base Rate Loans greater than U.S. or Cdn.$10 million, as applicable, and less than or equal to U.S. or Cdn.$25 million, as applicable	Before 11:00 a.m. two Business Days prior to the requested Drawdown Date.
Prime Loans and Base Rate Loans greater than U.S. or Cdn.$25 million, as applicable, and all BAs	Before 11:00 a.m. three Business Days prior to the requested Drawdown Date.
LIBOR Loans and CDOR Loans	Before 11:00 a.m. three Business Days prior to the requested Drawdown Date.
Letters of Credit and Letters of Guarantee	Before 11:00 am. three Business Days prior to the requested Drawdown Date.
Advances pursuant to the MasterCard Card Agreement or the Swingline Loan	No prior notice required.

(b) The Agent and the Lenders may rely upon any written notice given by any Person that the Agent and/or such Lender in good faith believes is an Authorized Representative without the necessity of independent investigation.

(c) The Borrower hereby irrevocably authorizes the Agent and/or the Lenders to make Loans from time to time hereunder for payment of any Obligation then due and payable by the Borrower (whether such Obligation is for interest then due on a Loan, reimbursement under an Application or hereunder, payment under an Hedge Contract, the MasterCard Agreement or otherwise), and any such Loan may be made without regard to the provisions of Article 7 hereof. The Borrower acknowledges and agrees, however, that neither the Agent nor the Lenders shall be under any obligation to make a Loan under this Section 2.5(c), and neither the Agent nor the Lenders shall incur any liability to the Borrower or any other Person for refusing to make a Loan under this Section 2.5(c).

(d) Subject to the provisions of Article 7 hereof, the proceeds of each Loan made under the Credit Facility shall be made available to the Borrower at the principal office of the Agent, in immediately available funds, in the case of any such initial Loan made on the Closing Date, in accordance with the terms of the written disbursement instructions of the Borrower, and, in the case of each such subsequent Loan, by deposit to the Borrower's account numbers [redacted]

[redacted], as applicable, held with BMO. The proceeds of each Loan made under Section 2.5(c) hereof shall be disbursed by the Agent by way of direct payment of the relevant Obligation. **[Redacted for confidentiality reasons]**

2.6 LIBOR LOANS AND CDOR LOANS

(a) **Minimum Amount.** Each LIBOR Loan shall be in U.S. Dollars only and in the minimum amount of U.S.$5,000,000 and in whole multiples of U.S.$100,000 in excess thereof. Each CDOR Loan shall be in Canadian Dollars only and in the minimum amount of $5,000,000 and in whole multiples of $100,000 in excess thereof.

(b) **Term.** Each LIBOR Loan shall have a Contract Period of one (1), two (2) or three (3) whole months, subject in all cases to availability. Each CDOR Loan shall have a Contract Period between 30 to 90 days, subject in all cases to availability. No Contract Period shall extend beyond the Termination Date.

(c) **Rollover of LIBOR Loans and CDOR Loans.** At least before 11:00 a.m. three (3) Business Days before the expiry of the Contract Period of each LIBOR Loan or each CDOR Loan, the Borrower shall notify the Agent by irrevocable written confirmation on the same day in form and substance substantially in accordance with Exhibit C, if it intends to:

(i) enter into a new Contract Period with respect to the maturing LIBOR Loan or CDOR Loan, or

(ii) repay the maturing LIBOR Loan or CDOR Loan.

(d) **Failure to Notify.** If the Borrower fails to provide the foregoing notice or make the required payment in respect of a LIBOR Loan or a CDOR Loan, payment of its Obligations to the Agent, for the benefit of the Lenders, with respect to that maturing LIBOR Loan shall be funded with a Base Rate Loan, as applicable and with respect to that maturing CDOR Loan, with a Prime Loan.

(e) **Substitute Basis of Loans.** If, at any time during the term of this Agreement, a Lender acting in good faith determines (which determination shall be final, conclusive and binding upon the Borrower) that:

(i) adequate and fair means do not exist for ascertaining the rate of interest on a LIBOR Loan or a CDOR Loan;

(ii) LIBOR does not accurately reflect the effective cost to such Lender of making, funding or maintaining a LIBOR Loan or a CDOR Loan and the costs to such Lender are increased or the income receivable by such Lender is reduced in respect of a LIBOR Loan or a CDOR Loan;

(iii) the making, funding or maintaining of a LIBOR Loan or a portion thereof by such Lender has become impracticable by reason of circumstances which materially and adversely affect the interbank rate for deposits in USDollars; or

(iv) deposits in U.S. Dollars are not available to such Lender in the London interbank market in sufficient amounts in the ordinary course of business for the applicable Contract Period to make, fund or maintain a LIBOR Loan during the Contract Period;

such Lender shall promptly notify the Borrower setting forth the basis of that determination and the Borrower hereby instructs such Lender to repay the affected LIBOR Loan with the proceeds of a Base Rate Loan, as applicable in the amount of the LIBOR Loan, to be drawn down on the last day of the then current Contract Period and to repay the affected CDOR Loans with the proceeds of a Prime Loan in the amount of the CDOR Loan to be drawn down on the last day of the then current Contract Period. Such Lender shall not be required to make any further LIBOR Loans or CDOR Loans available under this Agreement so long as any of the circumstances referred to in this Section 2.6(e) continue.

2.7 LETTERS OF CREDIT

(a) **General Terms.** Subject to the terms and conditions hereof, the Credit Facility may be availed of by the Borrower in the form of Letters of Credit and/or Letters of Guarantee. Subject to Sections 2.2 and 2.3(g), the Canadian Dollar Equivalent of the aggregate amount of all Letters of Credit and Letters of Guarantee issued and outstanding hereunder shall not at any one time exceed [redacted] or the U.S. Dollar Equivalent thereof. Each Letter of Credit and Letter of Guarantee shall be issued by the L/C Lender under the Credit Facility. Each Lender will be responsible for its Rateable Portion of the funding for any drawing under any Letter of Credit or Letter of Guarantee under Section 2.7(d) or otherwise and to purchase its Rateable Portion of any outstanding Letter of Credit or Letter of Guarantee under Section 10.12. For purposes of calculating the amount of outstanding Extensions of Credit under the Credit Facility, and for other purposes of this Agreement, a Letter of Credit or Letter of Guarantee shall be deemed outstanding as of any time in an amount equal to the maximum amount which could be drawn thereunder under any circumstances and over any period of time plus any unreimbursed drawings then outstanding with respect thereto. If and to the extent any Letter of Credit or Letter of Guarantee expires or otherwise terminates without having been drawn upon, the availability under the Credit Facility shall to such extent be reinstated. **[Redacted for confidentiality reasons]**

(b) **Term.** Each Letter of Credit and Letter of Guarantee issued hereunder shall expire not later than the earlier of (i) twelve (12) months from the date of issuance and each renewal thereof, or (ii) the Termination Date.

(c) **Currency.** Each Letter of Credit and Letter of Guarantee issued hereunder shall be issued in Canadian Dollars or in U.S. Dollars and shall mature on a Business Day. No Extension of Credit by way of the issue of a Letter of Credit or a Letter of Guarantee shall be used by the Borrower for the purpose of incurring contingent obligations of the type described in clause (a) of the definition of "Contingent Obligations".

(d) **Drawings.** Any drawing under a Letter of Credit or Letter of Guarantee shall be funded by a Loan by way of a Prime Loan (if drawn in Canadian Dollars or any currency other than U.S. Dollars) or by way of a Base Rate Loan (if drawn in U.S. Dollars).

(e) **Rollover.** Before 11:00 a.m. three (3) Business Days prior to the maturity date of any Letter of Credit or Letter of Guarantee, the Borrower shall notify the L/C Lender if it wishes to issue a replacement Letter of Credit or Letter of Guarantee on the maturity date. If the Borrower fails to provide the foregoing notice, the maturing Letter of Credit or Letter of Guarantee shall expire on its maturity date.

(f) **Reimbursement.** The Borrower unconditionally and irrevocably authorizes the L/C Lender to pay the amount of any demand made on the L/C Lender under and in accordance with the terms of any Letter of Credit or Letter of Guarantee on demand without requiring proof of the Borrower's agreement that the amount so demanded was due and notwithstanding that the Borrower may dispute the validity of any such demand or payment. The Borrower shall reimburse the L/C Lender on demand for any amounts paid by it from time to time as contemplated by this Section 2.7(f) and, without limiting the foregoing, the Borrower shall indemnify and save the L/C Lender harmless on demand from and against any and all other losses (other than lost profits), costs, damages, expenses, claims, demands or liabilities which it may suffer or incur arising in any manner whatsoever in connection with the making of any such payments as contemplated by this Section 2.7(f) (including, without limitation, in connection with proceedings to restrain the L/C Lender from making, or to compel the L/C Lender to make, any such payment). The foregoing indemnity shall survive payment of the Obligations in full and termination of this Agreement.

(g) **Lenders Not Liable.** The L/C Lender shall not have any responsibility or liability for, or duty to inquire into, the authorization, execution, signature, endorsement, correctness, genuineness or legal effect of any certificate or other document presented to the L/C Lender pursuant to any Letter of Credit or Letter of Guarantee if the L/C Lender is acting in good faith and in accordance with customary rules, other than to ensure that any demand for payment under a Letter of Credit or Letter of Guarantee is in compliance with the terms thereof (subject to minor variations or discrepancies in the documents presented in connection with such Letter of Credit or Letter of Guarantee which the L/C Lender under customary rules is permitted to ignore in respect of a demand for payment under such Letter of Credit or Letter of Guarantee) and the Borrower fully and unconditionally assumes all risks with respect to the same and, without limiting the generality of the foregoing,

all risks of the acts or omissions of any beneficiary of any Letter of Credit or Letter of Guarantee with respect to the use by any beneficiary of any Letter of Credit or Letter of Guarantee. Without limiting the foregoing, the L/C Lender shall not be responsible for:

(i) the validity of certificates or other documents delivered under or in connection with any Letter of Credit or Letter of Guarantee that appear on their face to be in order, even if such certificates or other documents should in fact prove to be invalid, fraudulent or forged;

(ii) errors, omissions, interruptions or delays in transmission or delivery of any messages by mail, cable, telegraph, telefax or otherwise, whether or not they are in code;

(iii) errors in translation or for errors in interpretation of technical terms;

(iv) any failure or inability of the L/C Lender or any other Person to make payment under any Letter of Credit or Letter of Guarantee as a result of any Applicable Laws or by reason of any control or restriction rightfully or wrongfully exercised by any Person asserting or exercising governmental or paramount powers; or

(v) any other consequences arising in respect of a failure by the L/C Lender to honour a Letter of Credit or Letter of Guarantee due to causes beyond the control of the L/C Lender;

and none of the above shall affect or impair any of the rights or powers of the Lenders hereunder or the obligations of the Borrower under Section 2.7(f). In furtherance and not in limitation of the foregoing provisions, it is agreed that any payment made by the L/C Lender in good faith under and in accordance with the terms of a Letter of Credit or Letter of Guarantee (subject to minor variations or discrepancies in the documents presented in connection with such Letter of Credit or Letter of Guarantee which the L/C Lender under customary rules is permitted to ignore in respect of a demand for payment under such Letter of Credit or Letter of Guarantee) shall be binding upon the Borrower and shall not result in any liability of the Agent or any of the Lenders to the Borrower and shall not lessen the obligations of the Borrower under Section 2.7(f).

(h) **Overdue Amounts.** Without limiting any other provision of this Agreement, if the Borrower shall fail to reimburse the L/C Lender in respect of any payments made by the L/C Lender under a Letter of Credit or Letter of Guarantee as contemplated in Section 2.7(f), the L/C Lender may at any time thereafter notify the Agent (which shall thereupon deliver a similar notice to each of the Lenders) of such failure and such notification shall be deemed to have been delivery of a request for a Loan in the amount and currency of such payments on and subject to the terms hereof. Each Lender shall forthwith credit the account of the L/C Lender with such Lender's Rateable Portion of such payments, the amount of such payments shall be deemed

to constitute a Prime Loan (if such payments were made in Canadian Dollars or any currency other than U.S. Dollars) or a Base Rate Loan (if such payments were made in U.S. Dollars) made by the Lender and which is outstanding, and, without limiting the terms and conditions applicable to such Prime Loan or Base Rate Loan, shall be due and payable when such Prime Loan or Base Rate Loan is due and payable in accordance with the provisions hereof.

(i) **Acceleration.** Upon the Agent taking action under Section 9.2 or Section 9.3 becoming operative, the maximum amount of the contingent liability of the L/C Lender under any Letter of Credit or Letter of Guarantee which is then outstanding shall immediately become due and payable notwithstanding that the L/C Lender has not at such date been required to make payment under any such Letter of Credit or Letter of Guarantee. Any such amount deposited with the L/C Lender shall be held by the L/C Lender in a separate interest-bearing collateral account in the name of the Borrower as security for the repayment of future indebtedness of the Borrower to the L/C Lender in respect of Letters of Credit or Letter of Guarantee which are drawn, and, pending the expiry of all outstanding Letters of Credit or Letter of Guarantee, any amounts deposited with the L/C Lender shall bear interest at the rate established by the L/C Lender from time to time as that payable in respect of 30-day certificates of deposit of the L/C Lender for monies of like amount. Any such amount deposited with the L/C Lender shall be held as mandatary for the other Lenders, to the extent of each Lender's Rateable Portion, and shall be distributed as and when required by this Agreement.

(j) **Conflict.** Each Letter of Credit and/or Letter of Guarantee shall be subject to the L/C Lender's customary Letter of Credit and/or Letter of Guarantee terms and procedures from time to time in effect and shall be in a form acceptable to the L/C Lender. The Borrower shall execute and deliver such standard form applications (each, an "**Application**"), agreements, indemnities, bonds and other assurances as the L/C Lender may require from time to time with respect to Letters of Credit and/or Letters of Guarantee. A Letter of Credit and/or Letter of Guarantee shall in no event contain provisions requiring the L/C Lender to satisfy itself, prior to payment thereunder, as to any conditions for a drawing thereunder other than the presentation of prescribed documents. If the provisions set forth in the L/C Lender's customary letter of credit and/or letter of guarantee documentation set forth terms of availability or cross-collateralization of security beyond or inconsistent with that set forth herein, the provisions of this Agreement in respect thereof shall prevail.

(k) **Non-Sharing.** Notwithstanding Article 5 of the Provisions, prior to the occurrence and continuation of any Event of Default, with respect to the Lenders, the L/C Lender may obtain any payment in any manner whatsoever in respect of any Letter of Credit or Letter of Guarantee, retain such payment and apply same against the obligations of the Borrower in respect of Letters of Credit or Letters of Guarantee and other amounts owing in respect of any Letter of Credit or Letter of Guarantee (including, without limitation, interest) and shall have no obligation to remit to or share with any Lender such payment.

(l) **Defaulting Lenders and Impacted Lenders.** The L/C Lender shall not be under any obligation to issue any Letter of Credit or Letter of Guarantee if any Lender is at such time a Defaulting Lender or an Impacted Lender hereunder, unless the L/C Lender has entered into arrangements satisfactory to the L/C Lender with the Borrower or such Lender to eliminate or redistribute the L/C Lender's risk with respect to such Lender.

2.8 HEDGE CONTRACTS

(a) **General.** Subject to the terms and conditions hereof, the Credit Facility may be availed of by the Borrower in the form of Hedge Contracts. Each Permitted Hedge Provider may, at its discretion, from time to time until the Termination Date, enter into Hedge Contracts with the Borrower. The Lead Swap Arranger has been appointed lead arranger on all Swap Agreements with the Borrower. Accordingly, subject to the terms and conditions hereof, the Lead Swap Arranger and any other Permitted Hedge Provider may, at its discretion, from time to time until the Termination Date, enter into Swap Agreements with the Borrower. The terms and conditions of each such Swap Agreement, including pricing, shall be determined by the Lead Swap Arranger and communicated to the Borrower for acceptance. The Lead Swap Arranger will offer the other Lenders (or, as applicable, their respective Affiliates) an opportunity to enter into a Swap Agreement with the Borrower on terms and conditions identical to those under the Swap Agreement entered into between the Borrower and the Lead Swap Arranger, in proportion to their Commitments, and BMO shall act as Lead Swap Arranger to the extent required to coordinate and manage the foregoing Swap Agreements. Subject to Section 2.2, the maximum aggregate negative mark-to-market value of all outstanding Hedge Contracts shall not exceed [redacted] or the U.S. Dollar Equivalent thereof at any time. **[Redacted for confidentiality reasons]**

(b) **Term.** No Hedge Contract may have a term expiring after the Termination Date. Each FX Agreement and each Swap Agreement shall have a Contract Period of no more than one (1) year.

(c) **Conditions of Hedging Contracts.** For greater certainty, the Borrower may only enter into a Hedge Contract with a Permitted Hedge Provider provided that the Borrower shall execute an ISDA Master Agreement in form and substance acceptable to the Permitted Hedge Provider party thereto. In the event of a conflict between the terms and conditions of any Hedge Contract and this Agreement, the Hedge Contract shall prevail notwithstanding Section 11.8.

(d) **Weekly Reporting**. Each Permitted Hedge Provider who at any time has any outstanding Hedge Contracts with the Borrower shall provide to the Agent, at least on a weekly basis, the aggregate mark-to-market value of all such outstanding Hedge Contracts.

(e) **Liquidation of Hedge Contracts**. The Borrower shall honour, on the maturity of each Hedge Contract to which it is a party, and shall provide to the relevant

Permitted Hedge Provider all amounts necessary to duly and fully complete and liquidate each such Hedge Contract on its maturity in accordance with the terms thereof. Any Hedge Contract outstanding on the Termination Date or at the time of the occurrence of an Event of Default which is continuing may be terminated by the relevant Permitted Hedge Provider in accordance with the provisions of such Hedge Contract.

(f) **Defaulting Lenders and Impacted Lenders.** The Permitted Hedge Providers shall not be under any obligation to enter into any Hedge Contract if any Lender is at such time a Defaulting Lender or an Impacted Lender hereunder, unless the Permitted Hedge Providers have entered into arrangements satisfactory to them with the Borrower or such Lender to eliminate or redistribute their risk with respect to such Lender.

(g) **Obligations, Early Termination Events.** The obligations of the Borrower under the Hedge Contracts shall be Obligations and shall be secured by the Collateral Documents on a pari passu basis with the other Obligations outstanding from time to time. Each Hedge Contract shall be deemed to stipulate that the termination of the Credit Facility shall be an Early Termination Event (as defined in the ISDA Master Agreement evidencing same) and the Affected Party (as defined in such ISDA Master Agreement) shall be the counter-party to the Permitted Hedge Provider in such contract. Such Permitted Hedge Provider shall have the right to choose the payment measure and the payment method (as such terms are understood in such ISDA Master Agreement) in respect of such Early Termination Event.

2.9 MASTERCARD ADVANCES

(a) **General.** Subject to the terms and conditions hereof and of the MasterCard Agreement, the Credit Facility may be availed of by the Borrower in the form of advances in Canadian Dollars or U.S. Dollars through the use of MasterCard corporate cards issued by BMO in its sole discretion to employees and officers of the Borrower designated from time to time by the Borrower. Subject to Section 2.2 and 2.3(g), the maximum aggregate principal amount of all outstanding advances under or pursuant to the MasterCard Agreement (the "**MasterCard Advances**") shall not exceed the MasterCard Limit.

(b) **Term.** Advances under or pursuant to the MasterCard Agreement shall bear interest and shall be repayable in accordance with the MasterCard Agreement. Amounts outstanding under or pursuant to the MasterCard Agreement may be paid through advances under Section 2.3(f) hereof.

(c) **Calculation**. For the purposes of determining, at any time, (i) the amount available to the Borrower or outstanding under the Credit Facility, (ii) the amount of any unused line fee payable by the Borrower pursuant to Section 3.3 hereof, or (iii) whether any mandatory prepayment is required pursuant to Section 4.3 hereof, an amount equal to the MasterCard Limit shall be deemed to have been advanced

to the Borrower by way of MasterCard Advances. For greater certainty, the Borrower agrees that an amount equal to the MasterCard Limit shall be subtracted from the Borrowing Base when determining the amount available to the Borrower under the Credit Facility at any time.

(d) **Documentation.** The issuance of MasterCard corporate cards and the use thereof are subject to the execution and delivery of the MasterCard Agreement and shall be governed thereby. In the event of a conflict between the terms and conditions of the MasterCard Agreement and this Agreement, the MasterCard Agreement shall prevail, notwithstanding Section 11.8.

2.10 U.S. DOLLAR EXTENSIONS OF CREDIT

The Borrower acknowledges that the ability of the Lenders to provide Extensions of Credit in U.S. Dollars is subject to any statute, law, regulation, rule or direction by any Governmental Authority having jurisdiction to prohibit or restrict the supply of U.S. Dollars to or by the Lenders, and the Borrower agrees that the Lenders shall incur no liability hereunder if they do not provide any Extension of Credit in U.S. Dollars as a result of any such prohibition or restriction.

2.11 ROLLOVERS AND CONVERSIONS

Subject to the terms and conditions hereof, the Borrower may effect such Rollovers and Conversions as it requests. Rollovers and Conversions shall be available only in minimum aggregate amounts of $5,000,000 and whole multiples of $100,000 in excess thereof, in respect of Loans in Canadian Dollars, and only in minimum aggregate amounts of U.S.$5,000,000 and whole multiples of U.S.$100,000 in excess thereof, in respect of Loans in U.S. Dollars. When any Default or Event of Default has occurred and is continuing or would result therefrom, no Rollover or Conversion shall be available hereunder, except as specified in Section 2.13. No Conversion or Rollover shall constitute a repayment of any Loan or a new Loan.

2.12 CONVERSION OPTION

Subject to this Agreement, the Borrower may, during the term of this Agreement, effective on any Business Day, convert, in whole or in part, an outstanding Loan into another type of Loan permitted under the Credit Facility upon giving written notice to the Agent in substantially the form attached hereto as Exhibit C, the notice period being that which would be applicable to the type of Loan into which the outstanding Loan is to be converted under Section 2.5(a). Conversions under this Section 2.12 may only be made provided that:

(a) notwithstanding any other term in this Agreement, no Loan denominated in Canadian Dollars may be converted into a Loan denominated in U.S. Dollars and no Loan denominated in U.S. Dollars may be converted into a Loan denominated in Canadian Dollars;

(b) each Conversion shall be for minimum aggregate amounts and whole multiples in excess thereof as are specified in respect of that type of Loan in Article 2;

(c) a LIBOR Loan may be converted only on the last day of the relevant Contract Period; if less than all of the LIBOR Loan is converted, after the conversion not less than U.S.$5,000,000 shall remain as a LIBOR Loan;

(d) a CDOR Loan may be converted only on the last day of the relevant Contract Period; if less than all CDOR Loans are converted, after the conversion not less than $5,000,000 shall remain as a CDOR Loan;

(e) a Conversion into a LIBOR Loan or a CDOR Loan shall only be made to the extent that none of the conditions outlined in Section 2.6(e) shall exist on the relevant Conversion Date;

(f) no demand shall have been made and no Default or Event of Default shall have occurred and be continuing on the relevant Conversion Date or after giving effect to the Conversion to be made on the Conversion Date.

2.13 MANDATORY CONVERSION OF LIBOR LOANS AND CDOR LOANS

Notwithstanding Section 2.6(c), and subject to Sections 9.2 and 9.3, if a Default or Event of Default has occurred and is continuing on the last day of a Contract Period, as regards a LIBOR Loan or a CDOR Loan, (a) in respect of a LIBOR Loan, the Borrower shall be deemed to have converted such LIBOR Loan into a Base Rate Loan as of the last day of the applicable Contract Period, and (b) in respect of a CDOR Loan, the Borrower shall be deemed to have converted such CDOR Loan into a Prime Rate Loan as of the last day of the applicable Contract Period.

2.14 ACCORDION

The Borrower shall have the right, exercisable once only and upon at least sixty (60) days written notice to the Agent, to increase the Credit Limit by up to $20,000,000 in the aggregate at any time, subject to a minimum amount of $5,000,000 for each request, on or before the Termination Date, to the extent that the Agent has received binding Commitments from existing Lenders for the entire amount requested, at the Lenders' sole discretion (the "**Accordion Option**"), provided that (a) no Default or Event of Default shall have occurred and then be continuing (without having been cured or waived as provided in this Agreement) or shall result from such increase, (b) no Commitment of any Lender shall be increased without the written consent of such Lender, (c) no Default or Event of Default should have occurred or be continuing on the date such increase may take effect or after giving effect to the new Commitments, including without limitation, compliance with the financial covenant set forth in Section 8.7 on a pro forma basis, (d) the new Commitments of the Lenders shall be effected pursuant to one or more joinder agreements in form and substance acceptable to the Agent executed and delivered by the Borrower, the other Obligors, any new Lenders and the Agent, (e) the Borrower shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by the Agent in connection with such transaction, and (f) the Borrower shall pay to the Agent the commitment fee established between the Agent and the Borrower.

ARTICLE 3
INTEREST, FEES, TERM AND TERMINATION

3.1 INTEREST RATES; INTEREST PAYMENT DATES

(a) **Rates.** (i) the Borrower shall pay to the Agent on behalf of the Lenders interest on Prime Loans (including Canadian Overdrafts) outstanding at a rate per annum equal to the Prime Rate plus the applicable margin set out in the pricing grid below; (ii) the Borrower shall pay to the Agent on behalf of the Lenders interest on Base Rate Loans (including U.S. Overdrafts) outstanding at a rate per annum equal to the Base Rate plus the applicable margin set out in the pricing grid below; (iii)) the Borrower shall pay to the Lenders interest on CDOR Loans outstanding at a rate per annum equal to the CDOR Rate plus the applicable margin set out in the pricing grid below; and (iv) the Borrower shall pay to the Lenders interest on LIBOR Loans outstanding at a rate per annum equal to LIBOR plus the applicable margin set out in the pricing grid below.

	Average Excess Availability (EA) (% of Commitment of Facility A)	LIBOR Loans or CDOR Loans margins or LC's	BMO US Base Rate Loans or Canadian Prime Rate Loans margins	Standby Fee
LEVEL I	Average EA > [redacted]	[redacted]	[redacted]	[redacted]
LEVEL II	[redacted] ≥ Average EA > [redacted]	[redacted]	[redacted]	[redacted]
LEVEL III	[redacted] ≥ Average EA > [redacted]	[redacted]	[redacted]	[redacted]
LEVEL IV	Average EA ≤ [redacted]	[redacted]	[redacted]	[redacted]

[Redacted for confidentiality reasons]

(b) Initial Pricing and Subsequent Pricing. As of the date hereof, the initial applicable margin or fee for the Credit Facility shall be the margin or fee set out in [redacted] above and shall be held at [redacted] until the next quarter. Subsequent applicable margins or fees shall be determined quarterly by the Agent based on the daily average Excess Availability for the preceding fiscal quarter and shall take effect commencing on the fourth Business Day after the due date of the Borrowing Base Certificate; provided that, if the Borrower does not provide same, the said Pricing Level shall be set and remain at the [redacted] until the first Business Day after such financial statements and related Compliance Certificate are delivered by the Borrower. **[Redacted for confidentiality reasons]**

(c) **Change in Rate.** Each change in the fluctuating interest rate applicable to any Extension of Credit will take place simultaneously with the corresponding change in such rate without the necessity for any notice to the Borrower.

(d) **Calculation.** Interest on Prime Loans (including by way of Canadian Overdrafts) and Base Rate Loans (including by way of U.S. Overdrafts) shall be payable monthly in arrears on every Interest Payment Date and on the Termination Date, as applicable, for the period from and including, as the case may be, the Drawdown

Date, the Conversion Date or the immediately preceding Interest Payment Date to but excluding the first-mentioned Interest Payment Date or the Termination Date, as applicable, and shall be calculated daily on the principal amount of each Prime Loan (including by way of Canadian Overdrafts) or Base Rate Loans (including by way of U.S. Overdrafts) remaining unpaid on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable. Interest on each LIBOR Loan shall be payable on each LIBOR Interest Date applicable to the LIBOR Loan, for the period commencing from and including the first day of the Contract Period or the immediately preceding LIBOR Interest Date, as the case may be, applicable to the LIBOR Loan, to but excluding the first mentioned LIBOR Interest Date, and shall be calculated daily on the principal amount of each LIBOR Loan remaining unpaid on the basis of the actual number of days elapsed in a year of 360 days. Interest on each CDOR Loan shall be payable on each CDOR Interest Date applicable to the CDOR Loan, for the period commencing from and including the first day of the Contract Period or the immediately preceding CDOR Interest Date, as the case may be, applicable to the CDOR Loan, to but excluding the first mentioned CDOR Interest Date, and shall be calculated daily on the principal amount of each CDOR Loan remaining unpaid on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable. All other Extensions of Credit and reimbursement and other obligations with respect to all Applications, Letters of Credit, Letters of Guarantee, Hedge Contracts and MasterCard Agreement and all fees due hereunder shall be calculated on the basis of a year of 365 or 366 days, as applicable, for the actual number of days elapsed.

(e) **Payment of Interest.** Interest on Loans shall be paid on every Interest Payment Date and on the Termination Date, as applicable, by debit to the Borrower's account by the Agent. Interest on all Loans and Extensions of Credit shall be payable both before and after maturity, default and judgment. Interest on any overdue principal or interest on the Credit Facility (whether by lapse of time, acceleration, or otherwise) shall be due and payable on demand.

(f) **Default Rate.** Notwithstanding any other provision hereof, upon the occurrence and during the continuation of any Event of Default hereunder, the Borrower shall, to the extent not prohibited by Applicable Laws, pay interest on the outstanding principal balance of all Extensions of Credit at the margin or fee set out in Pricing Level IV above plus two percent (2%) per annum.

(g) **Interest Act (Canada).** For the purpose of the Interest Act (Canada) only, the yearly rate of interest to which any rate for a period less than a year is equivalent is such rate, divided by the number of days in such period, and multiplied by the actual number of days in the year.

(h) **Determination.** Each determination by the Agent of the Prime Rate, the Base Rate, the CDOR Rate, an issuance fee for a Letter of Credit or a Letter of Guarantee and LIBOR shall, in the absence of manifest error, be final, conclusive and binding on the Borrower and the Lenders.

3.2 LIMIT ON RATE OF INTEREST

(a) **Adjustment.** If any provision of this Agreement or any of the other Loan Documents would obligate an Obligor to make any payment of interest or other amount payable to the Agent or any Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Agent or that Lender of interest at a criminal rate (as construed under the Criminal Code (Canada) or other Applicable Laws), then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the Agent or that Lender of interest at a criminal rate, the adjustment to be effected, to the extent necessary, as follows:

(i) first, by reducing the amount or rate of interest required to be paid to the Agent or the affected Lender; and

(ii) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent or the affected Lender which would constitute interest for purposes of the *Criminal Code* (Canada) or other Applicable Laws.

(b) **Reimbursement.** Notwithstanding Section 3.2(a), and after giving effect to all adjustments contemplated thereby, if the Agent or any Lender shall have received an amount in excess of the maximum permitted by the Criminal Code (Canada) or other Applicable Laws, then the Borrower shall be entitled, by notice in writing to the Agent or the affected Lender, to obtain reimbursement from the Agent or that Lender, as applicable, in an amount equal to the excess, and pending reimbursement, the amount of the excess shall be deemed to be an amount payable by the Agent or that Lender, as applicable, to the Borrower.

(c) **Actuarial Principles.** Any amount or rate of interest referred to in this Section 3.2(a), shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that any Extension of Credit remains outstanding on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the Criminal Code (Canada) or other Applicable Laws) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the period from the Closing Date to the Termination Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries or other expert appointed by the Agent shall be conclusive for the purposes of that determination.

3.3 UNUSED LINE FEE

For the period from and including the date hereof to but not including the Termination Date, the Borrower shall pay to the Agent, for the benefit of the Lenders, a fee at the applicable per annum rate set out in the pricing grid set forth in Section 3.1(a) (based on a year of 365 or 366 days, as applicable) calculated on the amount by which the Commitments of the Lenders under the Credit

Facility exceed the Canadian Dollar Equivalent of the daily closing balance of outstanding Extensions of Credit under the Credit Facility, taking into account the number of days in the applicable period. Each such fee shall be payable monthly in arrears on the first day of each Interest Payment Date and on the Termination Date of the Credit Facility. For the purpose of this Section 3.3, the Canadian Dollar Equivalent to be determined for any day of a month comprised in any calculation period shall be deemed to be the Spot Rate in effect on the first Business Day in such month.

3.4 FIELD EXAMINATION FEES

The Borrower shall pay to the Agent charges for field examinations of the Collateral performed by the Agent or its mandataries in such amounts as the Agent may from time to time request (the Agent acknowledging and agreeing that such charges shall be computed in the same manner as it at the time customarily uses for the assessment of charges for similar collateral examinations); provided, however, that in the absence of any Default or Event of Default, the Borrower shall not be required to pay the Agent for field examinations in excess of the number of field examinations per consecutive 12 months period permitted under Section 8.6(a).

3.5 APPRAISAL FEES

The Borrower shall pay to the Agent charges for appraisals of the Obligors' assets (as set forth in Section 8.6(a)) performed by the Agent or its mandataries in such amounts as the Agent may from time to time request in accordance with the provisions of this Agreement (the Agent acknowledging and agreeing that such charges shall be computed in the same manner as it at the time customarily uses for the assessment of charges for similar appraisals); provided, however, that in the absence of any Default or Event of Default, the Borrower shall not be required to pay the Agent for appraisals in excess of the number of appraisals per consecutive 12 months period permitted under Section 8.6(a).

3.6 LETTER OF CREDIT FEES

In respect of any Letter of Credit or Letter of Guarantee, the Borrower shall pay the L/C Lender, on the first Business Day quarterly in arrears, the applicable fee set forth in Section 3.1(a) hereof (based on the number of days in the next three month period and a year of 365 or 366 days, as applicable) of the face amount (as so decreased or increased, as applicable) of such Letter of Credit or Letter of Guarantee. In addition, the Borrower shall pay to the L/C Lender a fronting fee of 25 bps of the face amount of each Letter of Credit or Letter of Guarantee issued by the L/C Lender as well as its standard issuance, drawing, negotiation, amendment, communication and other processing, transaction and administrative fees in effect from time to time for each Letter of Credit or Letter of Guarantee issued.

3.7 TERM AND TERMINATION OF THE CREDIT FACILITY

The initial term of the Credit Facility shall be from the date hereof through but excluding the Termination Date. The Borrower may terminate the Credit Facility in whole (but not in part) at any time upon at least sixty (60) days prior written notice to the Agent and upon (i) the payment in full of all outstanding Obligations, together with all accrued and unpaid

interest thereon, (ii) the payment of any accrued and unpaid unused line fees and other fees due under the Loan Documents to the date of termination, and (iii) the expiration or termination of all BAs, Letters of Credit, Letters of Guarantee and Hedge Contracts and, to the extent any such BA, Letter of Credit, Letter of Guarantee or Hedge Contract has not expired in accordance with its terms or otherwise been terminated to the satisfaction of the Agent, accompanied by collateral security in form and in such amounts as shall be satisfactory to the Agent.

ARTICLE 4
MATURITY OF LOANS, APPLICATION OF PAYMENTS AND COLLECTIONS, PREPAYMENTS, COMPUTATION OF OBLIGATIONS OUTSTANDING, AND NOTATIONS

4.1 SCHEDULED PAYMENTS AND MATURITY OF LOANS.

The Borrower shall, unless otherwise provided for herein, make interest payments on all Extensions of Credit outstanding under the Credit Facility monthly in arrears on each Interest Payment Date with the final payment of both principal and interest remaining unpaid being due and payable on the Termination Date.

4.2 PLACE AND APPLICATION OF PAYMENTS AND COLLECTIONS

(a) All payments of principal, interest, fees and all other Obligations payable hereunder and under the other Loan Documents shall be made, without setoff, compensation or counterclaim, to the Agent.

(b) All payments to be made by or on behalf of the Borrower under or with respect to the Loan Documents are to be made free and clear of and without deduction or withholding for, or on account of, any present or future Taxes, unless such deduction or withholding is required by Applicable Laws. If the Borrower is required to deduct or withhold any Taxes from any amount payable to the Agent or any Lender (i) the amount payable shall be increased as may be necessary so that after making all required deductions or withholdings (including deductions and withholdings applicable to, and taking into account all Taxes on, or arising by reason of the payment of, additional amounts under this Section 4.2), the Agent or any Lender, as the case may be, receives and retains an amount equal to the amount it would have received had no such deductions or withholdings been required, (ii) the Borrower shall make such deductions or withholdings, and (iii) the Borrower shall remit the full amount deducted or withheld to the relevant taxing authority in accordance with Applicable Laws. Notwithstanding the foregoing, the Borrower shall not be required to pay any additional amounts in respect of Excluded Taxes.

(c) The Borrower shall indemnify the Agent and the Lenders for the full amount of any Taxes (other than Excluded Taxes) imposed by any jurisdiction on amounts payable by the Borrower under the Loan Documents and paid by the Agent or any Lender and any liability (including penalties, interest and reasonable expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or

legally asserted, and any Taxes levied or imposed with respect to any indemnity payment made under this Section 4.2. The Borrower shall also indemnify the Agent and the Lenders for any Taxes (other than Excluded Taxes) that may arise as a consequence of the execution, sale, transfer, delivery or registration of, or otherwise with respect to this Agreement or any other Loan Document. The indemnifications contained in this Section 4.2 shall be made within thirty (30) days after the date the Agent makes written demand therefor.

(d) Within thirty (30) days after the date of any payment of Taxes required to be withheld or deducted by the Borrower, the Borrower shall furnish to the Agent the original or a certified copy of a receipt evidencing payment by the Borrower of any Taxes with respect to any amount payable to the Agent and the Lenders hereunder.

(e) The Borrower's obligations under this Section 4.2 shall survive the termination of this Agreement, the payment of all Obligations and the termination of this Agreement.

(f) All payments made by the Borrower prior to the occurrence of a Default or an Event of Default shall be applied against the outstanding Obligations as follows:

(i) first, to any outstanding fees, charges and expenses then due to the Agent in respect of the Credit Facility;

(ii) second, to outstanding interest charges then due in respect of the Obligations to each Lender in accordance with its Rateable Portion;

(iii) third, to the outstanding principal balance of the Obligations owed to each Lender in accordance with its Rateable Portion; and

(iv) fourth, to be applied to, or held as collateral security for, any remaining unpaid or unsatisfied Obligations owed to each Lender in accordance with its Rateable Portion.

(g) All payments and proceeds of realization of Collateral or any portion thereof received after the occurrence of a Default or an Event of Default, shall be applied against the outstanding Obligations as follows:

(i) first, in payment of all costs and expenses incurred by the Agent and the Lenders in connection with such realization, including legal, accounting and receivers' fees and disbursements;

(ii) second, to outstanding Obligations (other than the Obligations referred to in paragraph (iii) below, owed to each Lender in accordance with its Rateable Portion;

(iii) third, on a *pro rata basis*, (a) to outstanding Obligations owed to each Lender with respect to any Bank Product exceeding the MasterCard Limit, (b) to outstanding Obligations owed to each Permitted Hedge Provider with

respect to Hedge Contracts exceeding the maximum aggregate negative mark-to-market value of [redacted] or the U.S. Dollar Equivalent thereof and (c) to outstanding Obligations owed to each Permitted Hedge Provider with respect to Hedge Contracts which such Permitted Hedge Provider has failed to disclose to the Agent in accordance with Section 2.8(d); and **[Redacted for confidentiality reasons]**

(iv) fourth, if all Obligations have been paid and satisfied in full, any surplus shall be paid in accordance with Applicable Law.

(h) Amounts shall be applied to each category of Obligations set forth in Section 4.2(f) and 4.2(g) until full payment thereof and then to the next category. If amounts are insufficient to satisfy a category, they shall be applied on a pro rata basis among the Obligations in such category.

(i) Following the occurrence of an Event of Default, the Borrower hereby irrevocably waives the right to direct the application of payments and collections at any time received by the Agent and the Lenders from or on behalf of the Borrower, and the Borrower hereby irrevocably agrees that the Agent and the Lenders shall have the continuing exclusive right to apply and reapply any and all such payments and collections received at any time by them against the Obligations in such manner as the Agent may deem advisable.

(j) The Borrower hereby irrevocably authorizes the Agent and the Lenders to charge any of the deposit accounts maintained by the Borrower with the Agent or any Lender for the amounts from time to time necessary to pay any then due Obligations; provided that the Borrower acknowledges and agrees that the Agent and the Lenders shall be under no obligation to do so and the Agent and the Lenders shall incur no liability to the Borrower or any other Person for the Agent's or any Lender's failure to do so.

4.3 MANDATORY PREPAYMENTS

4.3.1 Credit Limit

The Borrower covenants and agrees that if at any time the Credit Limit is exceeded (whether or not as a result of any change in the exchange rates), the Borrower shall immediately and without notice or demand, pay over the amount of the excess to the Agent as and for a mandatory prepayment of the Obligations, with each such prepayment first to be applied to the relevant Extension of Credit (or to the Obligation to which a specific excess applies, as determined by the Agent) until payment in full thereof with any remaining balance to be held by the Agent as collateral security for the Obligations or, at the Lenders' option, applied to reduce the Obligations on a pro rata basis.

4.3.2 Proceeds

The Borrower covenants and agrees that the net proceeds derived from the sale or disposition (whether voluntary or involuntary), or on account of loss, damage or destruction, of the Collateral shall be paid over to the Agent within two (2) Business Days of receipt of such proceeds (except in the event Excess Availability represents at that time less than [redacted] of the Credit Limit, in which case Section 5.2 shall apply), to be applied to, or held by the Agent as collateral security for, the Obligations as the Agent may determine in its discretion (and if held by the Agent as collateral security, absent an Event of Default, the Agent shall hold such proceeds in an interest-bearing account for the benefit of the Borrower at a rate or rates determined by the Agent). **[Redacted for confidentiality reasons]**

4.4 OPTIONAL PREPAYMENTS AND BREAKAGE COSTS

Subject to this Section 4.4 and Section 3.7, the Borrower may prepay in full or in part any Loan at any time by delivering to the Agent, at least two (2) Business Days prior to the proposed prepayment date, a Notice of Optional Prepayment. Each Notice of Optional Prepayment shall be irrevocable. Repayments are not permitted in respect of any CDOR Loan or LIBO Rate Loan prior to the end of the Contract Period of such LIBO Rate Loan or such CDOR Loan. If any CDOR Loan or LIBO Rate Loan is prepaid prior to the end of the Contract Period of such LIBO Rate Loan or such CDOR Loan (whether as a result of acceleration of the Obligations or otherwise), the Borrower agrees to pay the Agent upon demand all losses, damages, costs and expenses which the Agent has incurred or may incur (on its own behalf or on behalf of any Lender) as a result of such prepayment prior to the said maturity date or end of Contract Period.

4.5 COMPUTATION OF OBLIGATIONS OUTSTANDING

For the purpose of calculating the aggregate principal balance of Obligations outstanding hereunder, Obligations shall be deemed to be paid on the date payments or collections, as the case may be, are applied by the Agent or the Lenders to such Obligations. Notwithstanding the foregoing, if any item presented for collection by the Agent is not honoured, the Agent may reverse any provisional credit which has been given for the item and make appropriate adjustments to the amount of interest and principal otherwise due hereunder.

4.6 NOTATIONS

The amount and date of each Extension of Credit and the amount and date of each payment of principal and interest thereon shall be recorded by the Agent and each Lender on its books and records and the amount of principal and interest shown on such books and records as owing on such Extension of Credit from time to time shall constitute, in the absence of manifest error, *prima facie* evidence of the principal amount remaining unpaid thereon and the interest applicable thereto in any court or other proceeding brought to collect such Extension of Credit or enforce any related promissory note; provided that the failure of the Agent or any Lender to record any of the foregoing shall not limit or otherwise affect the obligation of the Borrower to repay the principal amount owing on such Extension of Credit or any related promissory note together with accrued interest thereon.

ARTICLE 5
COLLATERAL

5.1 COLLATERAL SECURITY

The payment and performance of the Obligations shall at all times be secured by, among other things, all of the Obligors' Collateral pursuant to Collateral Documents including, without limitation: (i) a general security agreement and a deed of hypothec from each Obligor, (ii) security under Section 427 of the *Bank Act* from the Borrower, and (iii) a guarantee of the Obligations by each Guarantor. The Collateral Documents listed in Schedule 5.1 hereto shall continue to secure, without novation, all debts and obligations of the Obligors under this Agreement and the other Loan Documents.

5.2 COLLATERAL PROCEEDS AND SPRINGING BLOCKED ACCOUNT

The Obligors agree to make from time to time such arrangements as shall be necessary or appropriate to ensure (through the use of blocked accounts under the sole control of the Agent) that all proceeds of the Collateral are deposited (in the same form as received) in one or more remittance accounts maintained with and under the sole control of the Agent, each such account to constitute a special restricted account. Such special restricted account arrangements shall not become effective until the amount of Excess Availability represents at any time less than [redacted] of the Credit Limit and shall terminate following the expiry of a period of ninety (90) consecutive days when the amount of Excess Availability is equal to or above [redacted] of the Credit Limit. Any proceeds of Collateral received by any Obligor shall, while held by such Obligor, be held as mandatary for the Agent in the same form in which received, shall not be commingled with any assets of such Obligor and shall be delivered immediately to the Agent (together with any necessary endorsements thereto) for deposit into such remittance accounts. The Borrower, for itself and each of the other Obligors, acknowledges that all funds in such remittance accounts are, unless they become the property of the Agent pursuant to any agreement with the Agent, held as mandatary for the Agent, and that, to the extent of any interest of the Obligors therein, the Agent has a Lien on such remittance accounts and all funds contained therein to secure the Obligations. No amounts deposited in such remittance accounts shall be released to the Obligors, but shall instead be applied to, or otherwise held for application to, or as collateral security for, the outstanding Obligations as set forth in Article 4 hereof, it being understood and agreed that, notwithstanding such application, the Borrower shall have the right to obtain additional Extensions of Credit under this Agreement subject to the terms and conditions hereof. **[Redacted for confidentiality reasons]**

5.3 FURTHER ASSURANCES

The Borrower and each other Obligor covenants and agrees that it shall comply with all terms and conditions of each of the Loan Documents to which it is a party and that it shall, at any time and from time to time as requested by the Agent, execute and deliver or cause to be executed and delivered, such further instruments and documents and do or cause to be done such other acts and things as are necessary to ensure that all such terms and conditions are complied with and to provide for or protect or perfect the Lien of the Agent, for and on behalf of itself and the other Secured Parties, in the Collateral.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

Each Obligor represents and warrants to the Agent and the Lenders as follows:

6.1 ORGANIZATION AND QUALIFICATION

(a) it is duly organized, validly existing and in good standing as a corporation or partnership under the laws of its jurisdiction of incorporation or formation;

(b) it has full and adequate power and authority to own its Property and conduct its business as now conducted;

(c) it is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying, except for those licenses or qualifications the absence of which, individually or in the aggregate, would not constitute a Material Adverse Effect;

(d) its domicile and head office is at the location specified on Schedule 6.1 hereto, and it has no places of business except those listed on such Schedule; and

(e) within the immediately preceding five-year period, used or transacted business in any business or trade name other than as set out on Schedule 6.1 hereto and other than its proper legal name.

6.2 SUBSIDIARIES

Schedule 6.2 hereto identifies each Subsidiary, the jurisdiction of its incorporation or formation, as the case may be, the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by the Borrower and its Subsidiaries. All of the outstanding shares of capital stock and other equity interests of each Subsidiary are validly issued and outstanding and fully paid and nonassessable and all such shares and other equity interests indicated on Schedule 6.2 as owned by the Borrower or a Subsidiary are owned, beneficially and of record, by the Borrower or such Subsidiary free and clear of all Liens, except Permitted Liens. There are no outstanding commitments or other obligations of any Subsidiary to issue, and no options, warrants or other rights of any Person to acquire, any shares of any class of capital stock or other equity interests of any Subsidiary.

6.3 CORPORATE AUTHORITY AND VALIDITY OF OBLIGATIONS

It has full right and authority to enter into this Agreement and the other Loan Documents to which it is a party, to make the borrowings herein provided for, to grant to the Secured Parties, the Liens described in the Collateral Documents to which it is a party, and to exercise all of its rights and perform all of its obligations hereunder and under the other Loan Documents to which it is a party. The Loan Documents have been duly authorized, executed and delivered by each Obligor which is party thereto and constitute valid and binding obligations of such Obligor, enforceable against such Obligor in accordance with their respective terms except as enforceability may be limited by

bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity or principles substantially to the same effect under civil law. This Agreement and the other Loan Documents do not, nor does the performance or observance by the Obligors of any of the matters and things herein or therein provided for (a) contravene or constitute a default under (i) any provision of law or any judgment, injunction, order or decree binding upon the Obligors, (ii) any provision of the charter, articles of incorporation or by-laws of the Obligors (or any of them), or (iii) any covenant, indenture or agreement of or affecting any of the Obligors or any of their Properties, the breach of which could have a Material Adverse Effect, or (b) result in the creation or imposition of any Lien on any Property of the Obligors other than the Liens created under the Collateral Documents.

6.4 FINANCIAL REPORTS

The consolidated and unconsolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2019 and the related consolidated and unconsolidated statements of income, retained earnings and cash flow of the Borrower and its Subsidiaries for the fiscal year then ended, and accompanying notes thereto, which consolidated financial statements are accompanied by the audit report of PriceWaterhouseCoopers LLP, independent chartered accountants, and the unaudited interim consolidated balance sheet of the Borrower and its Subsidiaries and the related consolidated statements of income, retained earnings and cash flow of the Borrower and its Subsidiaries at April 18, 2020 for its Fiscal Month then ended, heretofore furnished to the Agent and the Lenders, fairly present the consolidated financial condition of the Borrower and its Subsidiaries as at said dates and the consolidated results of their operations and cash flow for the periods then ended in conformity with GAAP applied on a consistent basis. Neither the Borrower nor any Subsidiary has contingent liabilities which are material to it other than as indicated on such financial statements or, with respect to future periods, on the financial statements furnished pursuant to Section 8.5 hereof.

6.5 NO MATERIAL ADVERSE EFFECT

Since April 18, 2020, there has been no change in the condition (financial or otherwise) or business prospects of any of the Obligors except those occurring in the ordinary course of business, none of which individually or in the aggregate would constitute a Material Adverse Effect.

6.6 FULL DISCLOSURE

The statements and information furnished to the Agent and the Lenders by the Obligors in connection with the negotiation of this Agreement, the other Loan Documents and the commitment by the Agent and the Lenders to provide all or part of the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading, the Agent and the Lenders acknowledging that as to any projections furnished to it or them, the Obligors only represent that the same were prepared on the basis of information and estimates the Obligors believed to be reasonable at the time of their preparation.

6.7 GOOD TITLE

Each Obligor has good title to its Property as reflected on the most recent consolidated balance sheet of the Borrower and its Subsidiaries furnished to the Agent and the Lenders, free and clear of all Liens other than Permitted Liens.

6.8 LITIGATION AND OTHER CONTROVERSIES

Except as described in Schedule 6.8, there is no litigation or governmental proceeding or labour controversy pending, nor to the knowledge of the Obligors, threatened, against any of the Obligors which if adversely determined would have a Material Adverse Effect.

6.9 TAXES

All tax returns required to be filed by the Borrower and its Subsidiaries in any jurisdiction have been filed, and all taxes, assessments, fees and other governmental charges upon the Borrower or any Subsidiary or upon any of their respective Property, which are shown to be due and payable in such returns, have been paid, except to the extent that such taxes, assessments, fees and charges are in an amount of not more than [redacted] in aggregate or are being Properly Contested. There are no outstanding tax assessments against the Borrower or its Subsidiaries, and the Obligors do not know of any proposed additional tax assessment against them or their Subsidiaries for which adequate provision in accordance with GAAP has not been made on their accounts. Adequate provisions in accordance with GAAP for taxes on the books of the Borrower and each Subsidiary have been made for all open years, and for their current fiscal period. Each Obligor has (i) withheld from each payment made to any of its past or present employees, officers or directors, and to any non-resident of the country in which it is a resident, the amount of all taxes, assessments, fees and other governmental charges and other deductions required by Applicable Laws to be withheld therefrom and has paid the same to the proper tax authority or other receiving officers within the time required under any Applicable Laws, and (ii) collected and remitted to the appropriate tax authority when required by Applicable Laws to do so all amounts collectible and remittable in respect of sales tax, value added or goods and services taxes and any similar taxes, duties and levies, and has paid all such amounts payable by it on account of such taxes, duties or levies; except to the extent that such taxes, duties or levies are in an amount of not more than [redacted] in aggregate or are being Properly Contested. No Obligor is subject to any claim by or liability to any of its respective officers, directors or employees for salary (including vacation pay) or benefits which could rank in whole or in part *pari passu* with or prior to the Liens created by the Collateral Documents. **[Redacted for confidentiality reasons]**

6.10 EMPLOYEE MATTERS

Except as set forth on Schedule 6.10, none of the Obligors, nor any of their respective employees, is subject to any collective bargaining agreement. There are no strikes, slowdowns, work stoppages or controversies pending or, to the best knowledge of the Borrower, threatened against any Obligor, or their respective employees. Except as set forth in Schedule 6.10, none of the Obligors is subject to an employment contract with an officer referred to in the Borrower's Annual Information Form, providing for a fixed term of employment or providing for special payments on termination of employment.

6.11 APPROVALS

No authorization, consent, license, or exemption from, or filing or registration with, any court or Governmental Authority, nor any approval or consent of the shareholders of the Obligors or any other Person, is or will be necessary for the valid execution, delivery or performance of this Agreement or any other Loan Document except as same have been obtained concurrently with the execution thereof.

6.12 AFFILIATE TRANSACTIONS

Neither the Borrower nor any Subsidiary is a party to any contracts or agreements with any of its Affiliates on terms and conditions which are materially less favourable to the Borrower or such Subsidiary than would be usual and customary in similar contracts or agreements between Persons not affiliated with each other.

6.13 PENSIONS

To the extent applicable, all employee pension benefit plans of, or in respect of, each Obligor are registered under, and in compliance with, all requirements of Applicable Laws, all contributions, payments, reports, returns and filings required to be made thereunder have been made and there is no obligation on the part of any Obligor under any such plans that is in arrears. No Lien has arisen with respect to such plans other than for contribution amounts not yet due and payable. All such plans have been administered in accordance with their terms and the provisions of Applicable Laws. [redacted], there are no unfunded liabilities under any such plans and, without limiting the generality of the foregoing, there is no going concern unfunded actuarial liability, past service unfunded actuarial liability or solvency deficiency. **[Redacted for confidentiality reasons]**

6.14 ENVIRONMENT

Each Obligor has taken all reasonable steps necessary to determine and has determined that no hazardous materials have been disposed of or otherwise released and there has been no threatened release of any hazardous materials on or to any Property of any Obligor other than in compliance with Applicable Laws, except to the extent the failure to do so could not reasonably likely be expected to have a Material Adverse Effect or which could not reasonably be expected to result in remedial obligations having a Material Adverse Effect, assuming disclosure to the applicable Governmental Authority of all material relevant facts, conditions and circumstances, if any, pertaining to the relevant Property.

No Obligor has any material contingent liability in connection with any release or threatened release of any hazardous materials into the environment other than such contingent liabilities at any one time and from time to time which could reasonably be expected to exceed [redacted] and for which adequate reserves for the payment thereof as required by GAAP have been provided, or which could reasonably be expected to result in remedial obligations having a Material Adverse Effect, assuming disclosure to the applicable Governmental Authority of all relevant facts,

conditions and circumstances, if any, pertaining to such release or threatened release. **[Redacted for confidentiality reasons]**

To the knowledge of the Borrower, no relevant facts, conditions or circumstances pertaining to environmental claims or liabilities have arisen that would cause any Phase 1 environmental site assessment, when delivered to the Agent, to contain any material misstatement of fact, or any omission of any material fact necessary to make any such assessment accurate, complete and not misleading, except to the extent that any such fact, condition or circumstance could not reasonably be expected to have a Material Adverse Effect.

6.15 COMPLIANCE WITH LAWS

The Obligors are in compliance with the requirements of all Applicable Laws, rules and regulations pertaining to their Property or business operations (including, without limitation, laws, rules and regulations pertaining to taxes, employee contributions, withholdings and remittances, employee pensions, retirement benefits and other benefits, and employee health and safety, and laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes and substances), non-compliance with which could have a Material Adverse Effect. None of the Obligors has received notice to the effect that its operations are not in compliance with any of the requirements of applicable environmental or health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a Material Adverse Effect.

None of the Obligors or, to the knowledge of any such Obligor, any director, officer, employee, agent, affiliate or representative thereof, is or is owned or controlled by any individual or entity that is currently the subject or target of any Sanction or is located, organized or resident in a Designated Jurisdiction. Each Obligor has conducted its business in accordance with applicable anti-corruption laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

6.16 OTHER AGREEMENTS

None of the Obligors is in default under the terms of any covenant, indenture or agreement of or affecting it or any of its Property, which default, if uncured, could have a Material Adverse Effect.

6.17 NO DEFAULT

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

6.18 RECEIVABLES

As of the time any Receivable becomes subject to any Lien in favour of the Secured Parties, and at all times thereafter the Obligors shall be deemed to have represented and warranted as to each and all of such Receivables which are included as Eligible Accounts on a Borrowing Base Certificate delivered by the Borrower to the Agent:

(a) that such Receivable is valid and subsisting and, if such Receivable is an account, arises out a bona fide sale of goods sold and delivered by the applicable Obligor to, or in the process of being delivered to, or out of and for services theretofore actually rendered by it to, the account debtor named therein;

(b) that no such Receivable is evidenced by any instrument, investment property or chattel paper unless such instrument, investment property or chattel paper has theretofore been endorsed by the owner thereof and delivered to the Agent (except to the extent the Agent specifically requests the owner thereof not to do so with respect to any such instrument, investment property or chattel paper);

(c) that no surety bond was required or given in connection with such Receivable or the contracts or purchase orders out of which the same arose;

(d) that the amount of the Receivable represented as owing is the correct amount actually and unconditionally owing, except for normal cash discounts on normal trade terms in the ordinary course of business if such Receivable is an account;

(e) that the amount of such Receivable represented as owing is not disputed and is not subject to any compensation, setoffs, credits, deductions or counter-charges other than those arising in the ordinary course of the applicable Obligor's business which are disclosed to the Agent in writing promptly upon the applicable Obligor becoming aware thereof; and

(f) that such Receivable is not owing from any Governmental Authority unless specific notice thereof has been given in writing to the Agent.

6.19 ELIGIBLE COLLATERAL

Each Receivable which is included as an Eligible Account on a Borrowing Base Certificate delivered by the Borrower to the Agent satisfies all the criteria for being an Eligible Account. Each item of Inventory which is included as Eligible Inventory on a Borrowing Base Certificate delivered by the Borrower to the Agent satisfies all the criteria for being Eligible Inventory.

6.20 DEBT

No Obligor has issued, incurred, assumed, guaranteed, created or has outstanding any Debt other than as permitted by Section 8.8.

6.21 INSURANCE

Each Obligor insures, with good and responsible insurance companies, all insurable Property owned by it or by the other Obligors which is of a character usually insured by Persons similarly situated and operating like Property against loss or damage from such hazards and risks, and in such amounts, as are insured by Persons similarly situated and operating like Property; and each Obligor insures such other hazards and risks (including employers' and public liability risks) with good and responsible insurance companies as and to the extent usually insured by Persons similarly situated and conducting similar businesses.

6.22 INTELLECTUAL PROPERTY

No Obligor has registered Intellectual Property, any outstanding applications for registration of Intellectual Property or any licenses relating to Intellectual Property, other than those set out in Schedule 6.22.

6.23 SOLVENCY

Each Obligor is Solvent.

6.24 DEEMED REPETITION

The representation and warranties made in Sections 6.1 through 6.23 inclusive shall (a) continue in effect until payment and performance of all of the Obligations, and (b) be deemed to be repeated on each Drawdown Date as if made on that date (both immediately before and immediately after giving effect to the requested Extension of Credit), on each Interest Payment Date, *mutatis mutandis*, as if made on that date and, in any event, as of the end of each month.

ARTICLE 7
CONDITIONS PRECEDENT

The obligation of each Lender to make any Extensions of Credit under this Agreement and the effectiveness of this Agreement are subject to and conditional upon the prior fulfilment of the following conditions to the satisfaction of the Agent and the Lenders:

7.1 ALL EXTENSIONS OF CREDIT

As of the time of the making of each Extension of Credit (including the initial Extension of Credit) hereunder:

(a) each of the representations and warranties set forth in Article 6 hereof and in the other Loan Documents shall be true and correct in all material respects as of such time or if the same expressly relate to an earlier date, as of such earlier date;

(b) each Obligor shall be in full compliance with all of the terms and conditions of the Loan Documents to which it is a party, and no Default or Event of Default shall have occurred and be continuing or would occur as a result of making any such Extension of Credit;

(c) in the case of any request for an Extension of Credit under the Credit Facility, after giving effect to such Extension of Credit, the Credit Limit shall not be exceeded; and

(d) the Agent, for itself and on behalf of the Lenders, shall have received any and all fees and properly completed Loan Documents required pursuant to the terms hereof, or of any other Loan Document, in connection with such Extension of Credit.

The Borrower's request for any Extension of Credit shall constitute its representation and warranty as to its compliance with the conditions set forth in subsections (a) through (c), both inclusive, above.

7.2 INITIAL EXTENSION OF CREDIT AND EFFECTIVENESS OF THIS AGREEMENT

At or prior to the making of the initial Extension of Credit hereunder and the coming into force of this Agreement, the following conditions precedent shall also have been satisfied:

(a) the Agent shall have received the following (each to be properly executed and delivered by each party thereto) and the same shall have been approved as to form and substance by the Agent:

(i) the Loan Documents, any springing blocked account agreements required pursuant to Section 5.2 hereof, together with any applications for registration, financing statements or similar registrations required to perfect or render opposable the Lien created under the Collateral Documents;

(ii) the documents of authority of the Obligors' confirming the authorization to execute and deliver this Agreement and the other Loan Documents;

(iii) officer's certificate for each Obligor which shall include updated constating documents, including by-laws, of each Obligor and incumbency certificates containing the name, title and genuine signatures of each of the Obligors' Authorized Representatives;;

(iv) evidence of insurance required by Section 8.4 hereof;

(v) landlord agreements in connection with the Property of the Obligors located in the following leased premises or public warehouses or on consignment: [redacted]; **[Redacted for confidentiality reasons]**

(vi) estoppel letters, priority agreements or no-interest letters from creditors of the Obligors, as required by the Agent, relating to Permitted Liens;

(b) the Agent shall have received satisfactory confirmation of the extension of the Permitted Subordinated Indebtedness' maturity date;

(c) the Agent shall have received the standard documentation used by the L/C Lender in connection with the issuance of Letters of Credit and Letters of Guarantee, by the relevant Permitted Hedge Providers in connection with Hedge Contracts and by BMO in connection with the MasterCard Agreement, prior to any Extension of Credit by way of any such method;

(d) the Agent shall have received a good standing, status or compliance certificate (as applicable) for each of the Obligors (dated as of the date no earlier than five (5) days prior to the date hereof) from the applicable Governmental Authority in the jurisdiction of its incorporation or formation and each jurisdiction in which it is qualified to do business;

(e) the Agent shall have received a current Borrowing Base Certificate in the form attached hereto as Exhibit D (the "**Borrowing Base Certificate**") showing the computation of the Borrowing Base in reasonable detail as April 18, 2020 and a Compliance Certificate;

(f) the Agent and the Lenders shall have received the favourable written opinions of counsel for the Obligors in form and substance satisfactory to the Agent and its counsel with respect to, inter alia, the due authorization, execution, delivery and enforceability of the Loan Documents executed by the Obligors;

(g) the Agent and the Lenders shall have received such appraisals, field examination reports and certifications as they may require in order to satisfy themselves as to the value of the Collateral, the financial condition of the Obligors, and the lack of material Contingent Obligations of the Obligors;

(h) the Agent shall have determined that immediately after giving effect to the making of the initial Extension of Credit hereunder, the payment or reimbursement by the Borrower to the Agent of all closing costs and expenses and the payment of all other transactional costs incurred in connection with the transactions contemplated hereby, and the initial proceeds application, the amount of Excess Availability shall be not less than [redacted] of the Credit Limit. The accounts payable of the Obligors shall be at a level acceptable to the Agent; **[Redacted for confidentiality reasons]**

(i) the Agent and the Lenders shall have received the audited consolidated financial statements of the Borrower and its Subsidiaries for its fiscal year ended December 28, 2019 including a balance sheet, and consolidated statements of income, retained earnings and cash flow for such fiscal year prepared by the Borrower in accordance with GAAP and certified by the President or Chief Financial Officer of the Borrower (**received**);

(j) the Agent and the Lenders shall have received the latest interim unaudited consolidated financial statements of the Borrower and its Subsidiaries for the most recently completed fiscal quarter of the Borrower ended prior to the Closing Date and a related Compliance Certificate;

(k) the Liens granted to the Secured Parties under the Collateral Documents or otherwise shall have been perfected or registered in a manner satisfactory to the Agent and its counsel, and Liens not permitted hereunder shall have been discharged, released or terminated, or the creditors holding any such Liens shall have undertaken to discharge, release or terminate such Liens, in form and substance satisfactory to the Agent;

(l) the Agent shall have received the results of Lien searches of all filings, registrations or recordings of or with respect to all the assets of the Obligors and their respective predecessors in each jurisdiction in which their Property is located or have an office, together with such other documents that the Lenders shall require evidencing, to the entire satisfaction of the Lenders and Lenders' Counsel, that such Property are free and clear of all Liens, other than Permitted Liens;

(m) the Agent and the Lenders shall be satisfied with the results of their financial and legal due diligence of the Obligors and their Property, including without limitation, the financial condition of the Obligors, the corporate and debt structure of the Obligors, material contracts, litigation, environmental issues, prefunding examination, interim financial position, cash flows and budgets of the Obligors and key management contracts;

(n) all fees, expenses and costs (including Agent's reasonable legal fees) payable by the Borrower on or prior to the Closing Date in connection herewith, including, all initial fees called for hereby and in any separate agreements with the Agent, shall have been paid;

(o) the Agent shall have received such additional financial and other information, certificates and documentation as the Lenders may reasonably request in respect of any Obligor in order for the Lenders to comply with legal and internal requirements in respect of money laundering legislations, proceeds of crime legislation and "know your customer" requirements; and

(p) the Agent and the Lenders shall have received such other information as reasonably requested by the Agent.

The acceptance by the Borrower of any Extension of Credit on the Closing Date shall be deemed to be a representation and warranty made by the Borrower to the effect that all of the conditions precedent to the making of such Extension of Credit have been satisfied.

7.3 WAIVER OF CONDITION PRECEDENT

The conditions stated in Sections 7.1 and 7.2 are inserted for the sole benefit of the Lenders and may be waived by the Agent with the consent of the Unanimous Lenders (in the case of Section 7.2 and Section 7.1(c)) or of the Majority Lenders (in the case of Section 7.1(a)7.1(b)7.1(d)), in whole or in part, with or without terms or conditions, in respect of all or any portion of an Extension of Credit, without affecting the right of the Lenders to assert terms or conditions in whole or in part in respect of any other Extension of Credit.

ARTICLE 8
COVENANTS

While any amount owing under this Agreement or any of the other Loan Documents remains unpaid, or the Agent or the Lenders have any obligations under this Agreement or any of the other Loan Documents, each Obligor covenants with the Agent and each other Lender as follows:

8.1 MAINTENANCE OF BUSINESS

Except as permitted in Sections 8.12(d) and 8.12(e), each Obligor shall preserve and maintain its existence. Each Obligor shall preserve and keep in full force and effect all licenses, permits and franchises necessary to the proper conduct of its business, except where the failure to do so could not have a Material Adverse Effect. No Obligor shall change its name or transact business under any trade name without first giving no less than thirty (30) days' prior written notice of its intent to do so to the Agent. Each Obligor shall at all times keep accurate and complete books, records and accounts with respect to all of its business activities, in accordance with sound accounting practices and GAAP consistently applied.

8.2 MAINTENANCE OF PROPERTIES

Each Obligor shall maintain, preserve and keep its Property in good repair, working order and condition (ordinary wear and tear excepted) and shall from time to time make all needed and proper repairs, renewals, replacements, additions and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained.

8.3 TAXES AND ASSESSMENTS

Each Obligor shall duly pay and discharge all taxes, rates, assessments, fees and governmental charges upon or against it or its Property, in each case before the same become delinquent and before penalties accrue thereon, except to the extent the same are in an amount of not more than [redacted] in the aggregate or are being Properly Contested. Each Obligor shall withhold from each payment made to or rateable benefit conferred upon, any of its past or present employees, officers, directors, or any non-resident of the country in which it is a resident, the amount of all taxes, rates, assessments, fees and governmental charges and other deductions required by Applicable Laws to be withheld therefrom and pay the same to the proper tax authority or other receiving officers within the time required under any Applicable Laws and collect from all Persons the amount of all taxes, rates, assessments, fees, duties and governmental charges required by Applicable Laws to be collected from them and remit the same to the proper tax authority or other receiving officers within the time required under any Applicable Laws, except to the extent the same are in an amount of not more than [redacted] in the aggregate or are being Properly Contested. **[Redacted for confidentiality reasons]**

8.4 INSURANCE

(a) Each Obligor shall insure and keep insured, with good and responsible insurance companies, all insurable Property owned by it which is of a character usually insured by Persons similarly situated and operating like properties against loss or damage from such hazards and risks, and in such amounts, as are insured by Persons similarly situated and operating like properties; and each Obligor shall insure such other hazards and risks (including employers' and public liability risks) with good and responsible insurance companies as and to the extent usually insured by Persons similarly situated and conducting similar businesses. Each Obligor shall at all times insure or cause to be insured the Collateral consisting of corporeal movable property against such risks and hazards as other Persons similarly situated

insure against, and including in any event loss or damage by fire, theft, burglary, pilferage, loss in transit and such other hazards as the Lenders may determine. The Borrower shall upon request furnish to the Agent a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section. Notwithstanding the foregoing, all insurance required hereby shall be maintained in amounts and under policies and with insurers acceptable to the Lenders, and all such policies shall contain a standard mortgage clause and loss payable clauses naming the Agent and the Attorney as loss payees and first mortgagees (and, if the Agent requests, naming the Agent as an additional insured therein) in a form acceptable to the Agent. Each Obligor shall pay or cause to be paid all premiums on such insurance. Certificates of insurance evidencing compliance with the foregoing and, at the Agent's request, copies of the policies of such insurance shall be delivered by the Borrower to the Agent. All insurance required hereby shall provide that any loss shall be payable to the Agent notwithstanding any act or negligence of the applicable Obligor, shall provide that no cancellation thereof shall be effective until at least thirty (30) days after receipt by the Obligor and the Agent of written notice thereof, and shall be satisfactory to the Agent in all other respects.

(b) In case of any loss, damage to or destruction of the Collateral or any part thereof valued at more than [redacted], the Borrower shall promptly give written notice thereof to the Agent describing the nature and extent of such damage or destruction. Upon the occurrence and continuance of an Event of Default, the Obligors hereby authorize the Agent to adjust, compromise and settle any such losses under any insurance afforded, and do hereby irrevocably constitute the Agent, and each of its nominees, officers, agents, attorneys, and any other Person whom the Agent may designate, as its attorney, with full power and authority to effect such adjustment, compromise and/or settlement and to endorse any drafts drawn by an insurer of the Collateral or any part thereof and to do everything necessary to carry out such purposes and to receive and receipt for any unearned premiums due under policies of such insurance. In the event the Borrower or any other Obligor shall receive any proceeds of such insurance regarding such loss, damage or destruction, the Borrower shall immediately pay over or cause to be paid such proceeds to the Agent. Net insurance proceeds received by the Agent under the provisions hereof or under any policy of insurance covering the Collateral or any part thereof shall be held as collateral security for or applied to the reduction of the Obligations (whether or not then due), as the Lenders may determine in their sole discretion; provided, however, that such insurance proceeds may, to the extent permitted in Section 4.3.2, be released to the applicable Obligor to be used for the repair or replacement of the Collateral lost, damaged or destroyed. If such insurance proceeds are released to the applicable Obligor, the Obligor shall at its cost and expense, promptly cause to be repaired or replaced the Collateral so lost, damaged or destroyed (whether or not the insurance proceeds, if any, on account of such damage or destruction shall be sufficient for that purpose). Any insured claim, judgment, settlement or money compromise and any insured expenses associated with its defence or investigation payable by commercial general liability insurance shall be paid first to any Person

entitled to payment of such unpaid insured claim, judgment, settlement or money compromise and entitled to payment of such unpaid insured expenses and thereafter to the Borrower. All insurance proceeds shall be subject to the Lien of the Secured Parties under the Collateral Documents. **[Redacted for confidentiality reasons]**

(c) Unless the Borrower provide the Agent with evidence of the insurance coverage required by this Agreement, at the Lenders' option, the Agent may purchase insurance at the Borrower's expense to protect the Agent's and the Lenders' rights in the Collateral, but shall have no obligation to do so. This insurance may, but need not, protect the Obligors' rights in the Collateral. The coverage purchased by the Agent may not pay any claims that the applicable Obligor makes or any claim that is made against the applicable Obligor in connection with the Collateral. The Borrower may later cancel any such insurance purchased by the Agent, but only after providing the Agent with evidence that the Obligors have obtained insurance as required by this Agreement. If the Agent purchases insurance for the Collateral, the Borrower will be responsible for the costs of that insurance, including interest and any other charges that the Agent and the Lenders may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Obligations. The costs of the insurance may be more than the cost of insurance the Obligor may be able to obtain on their own.

8.5 REPORTING

Each Obligor shall maintain a standard system of accounting in accordance with GAAP and shall promptly furnish to the Agent and its duly authorized representatives such information respecting the business and financial condition of the Obligors as the Agent may request; and without any request the Borrower shall furnish to the Agent, in electronic format whenever and wherever possible (for the Borrower and its Subsidiaries):

(a) (i) if the Excess Availability is equal to or above [redacted] of the Credit Limit, as soon as available, and in any event no later than twenty (20) days after the end of each Fiscal Month, a Borrowing Base Certificate showing the computation of the Borrowing Base in reasonable detail as of the close of business on the last day of the immediately preceding Fiscal Month for all items reported on by such certificate together with such other information as is therein required, prepared by the Borrower and certified by the President and Chief Executive Officer or by the Chief Financial Officer of the Borrower. The Borrowing Base Certificate shall include, without limitation, updated inventory and perpetual inventory records, updated ineligibles, including customer rebate ineligibles based on historical average percentage of receivables balance, and GRNI (Goods received not invoiced report), and (ii) if the Excess Availability is less than [redacted] of the Credit Limit, as soon as available, and in any event no later than five (5) days after the last day of each calendar week, a Borrowing Base Certificate showing the computation of the Borrowing Base in reasonable detail as of the close of business on the last day of the immediately preceding week for all items reported on by such certificate, together with such other information as is therein required, prepared by the

Borrower and certified by the President or Chief Financial Officer of the Borrower. The Borrowing Base Certificate shall include, without limitation, updated inventory and perpetual inventory records, updated ineligibles, including customer rebate ineligibles based on historical average percentage of receivables balance, and GRNI (Goods received not invoiced report);

(b) if the Excess Availability is less than [redacted] of the Credit Limit at any time, as soon as available, and in any event no later than five (5) days after the last day of each calendar week, a thirteen weeks rolling cash flow forecast, prepared by the Borrower and certified by the President or Chief Financial Officer of the Borrower;

[Redacted for confidentiality reasons]

(c) as soon as available, and in any event within twenty (20) days after the end of each Fiscal Month, a copy of the consolidated and non consolidated balance sheet of the Borrower and its Subsidiaries as of the last day of such Fiscal Month and the consolidated and non-consolidated statements of income, retained earnings and cash flow of the Borrower and its Subsidiaries for such Fiscal Month and for the fiscal year-to-date period then ended, each in reasonable detail showing in comparative form the figures for the corresponding date and period in the previous fiscal year as well as showing in comparative form the year-to-date comparisons to the Borrower's current business plan and with a brief comment from Borrower's management on the said results, prepared by the Borrower in accordance with GAAP and certified by the President and Chief Executive Officer or by the Chief Financial Officer of the Borrower for itself and on behalf of its Subsidiaries;

(d) as soon as available, and in any event within twenty (20) days after the end of each Fiscal Month (or more frequently if requested by the Agent), (i) an accounts receivable aging report prepared on an invoice date basis (including reconciliation of cash and accounts receivable), an accounts payable aging report and an inventory report (on a cost basis), each in such format and detail as is required by the Agent, prepared by the Borrower and certified by the President or Chief Financial Officer of the Borrower, and (ii) a prior claims and statutory deductions report in such format and detail as is required by the Agent, prepared by the Borrower and certified by the President and the Chief Executive Officer or by the Chief Financial Officer of the Borrower;

(e) as soon as available, and in any event within twenty (20) days after the end of each Fiscal Month, monthly reconciliations of accounts receivable, inventory and accounts payable sub-ledgers to month-end financial statements, prepared by the Borrower and certified by the President and Chief Executive Officer or by the Chief Financial Officer of the Borrower;

(f) as soon as available, and in any event within ninety (90) days after the last day of each fiscal year of the Borrower, the consolidated and consolidating balance sheet of the Borrower and its Subsidiaries as of the close of such period and the consolidated and consolidating statements of income, retained earnings and cash

flow of the Borrower and its Subsidiaries for the period then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an unqualified opinion thereon of PriceWaterhouseCoopers LLP or another firm of independent chartered accountants of recognized national or international standing, selected by the Borrower and satisfactory to the Agent, to the effect that the said financial statements have been prepared in accordance with GAAP and present fairly in accordance with GAAP the consolidated financial condition of the Borrower and its Subsidiaries as of the close of such fiscal year and the results of their operations and cash flow for the fiscal year then ended and that an examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards and, accordingly, such examination included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances;

(g) promptly after receipt thereof, any additional written reports, management letters or other detailed information contained in writing concerning significant aspects of the operations and financial affairs of the Borrower and its Subsidiaries given to it by its independent chartered accountants;

(h) as soon as available, and in any event no later than thirty (30) days prior to the end of each fiscal year, a copy of the Borrower's consolidated and consolidating cash flow statement on an Accounting Period basis and business plan for the following fiscal year, such business plan to show the Borrower's projected consolidated and consolidating revenues, expenses, Capital Expenditures budget, Fixed Charge Coverage Ratio calculations, projected availability under the Borrowing Base and balance sheet on month-by-month basis in reasonable detail, prepared by the Borrower and in form satisfactory to the Agent;

(i) promptly after knowledge thereof shall have come to the attention of any officer of any Obligor, written notice of any threatened or pending litigation or governmental proceeding or labour controversy against any Obligor or any Subsidiary which, if adversely determined, could have a Material Adverse Effect, or could result in any Default or Event of Default, or any other event or occurrence which could have a Material Adverse Effect or result in a Default or Event of Default;

(j) promptly after knowledge thereof shall have come to the attention of the President and Chief Executive Officer or by the Chief Financial Officer of the Borrower, any information release which is subject to public disclosure in accordance with Regulation 51-102 respecting Continuous Disclosure Obligations. For greater certainty, any public information release that is not sent to the Agent shall not constitute an Event of Default hereunder;

(k) any Default or Event of Default; and

(l) promptly after knowledge thereof shall have come to the attention of the President and Chief Executive Officer or the Chief Financial Officer of the Borrower, notice that any Obligor is not Solvent.

Each of the financial statements furnished to the Agent pursuant to subsections (c) and (f) of this Section 8.5 shall be accompanied by a Compliance Certificate. All calculations of availability in any Borrowing Base Certificate shall originally be made by the Borrower, on behalf of the Obligors, and certified by the President and Chief Executive Officer or by the Chief Financial Officer of the Borrower, provided that the Agent may from time to time review and adjust any such calculation (a) to reflect its reasonable estimate of declines in value of any Collateral due to collections of Receivables received or otherwise, and (b) to the extent the calculation is not made in accordance with this Agreement or does not accurately reflect the reserves determined by the Agent pursuant to this Agreement.

8.6 INSPECTION; APPRAISALS; VERIFICATION

(a) The Obligors shall permit (and arrange for all access required to permit) the Agent and its duly authorized representatives and agents to visit and inspect any Property, corporate books and financial records of the Obligors, to examine and make copies of the books of accounts and other financial records of the Obligors, and to discuss the affairs, finances and accounts of the Obligors with, and to be advised as to the same by, their officers, employees and independent chartered accountants (and by this provision the Obligors authorize such accountants to discuss with the Agent the finances and affairs of each Obligor) at least quarterly and in any event at all reasonable times and reasonable intervals as the Agent may designate in the absence of any Default or Event of Default, and otherwise, at all times and intervals as the Agent may designate; provided that the Obligors shall permit (and arrange for all access required to permit) the Agent and its duly authorized representatives and agents to conduct a field examination of the Obligors' Property two (2) times per consecutive 12 calendar months period in the absence of any Default or Event of Default or at such other times as is designated by the Agent if a Default or Event of Default has occurred and is occurring; provided further that in the absence of any Default or Event of Default, if the amount of Excess Availability under the Credit Facility is greater than [redacted] of the Credit Limit for the most recent month of the Borrower, the Obligors shall permit (and arrange for all access required to permit) the Agent and its duly authorized representatives and agents to conduct no more than one (1) field examination of the Obligor's Property per consecutive 12 calendar months period. Notwithstanding the above, the Agent may request, in its sole discretion, one (1) additional field examination per consecutive 12 calendar months period. The Agent may obtain (or direct the Borrower to obtain and provide to the Agent and the Lenders) updated appraisals of the Obligors' Inventory, or any portion thereof, on an annual basis as the Agent may designate in the absence of a Default or an Event of Default, or at such other times designated by the Agent if a Default or an Event of Default has occurred and is continuing, which appraisal reports shall in each case be prepared by an appraiser acceptable to the Agent, and be in such format and contain such detail as the Agent may request. Notwithstanding the above, the Agent may request, in its sole discretion, one (1)

additional Inventory appraisal per consecutive 12 calendar months period. Subject to the provisions of Section 3.4, the costs and expenses incurred in conducting any such field examinations or in obtaining any such appraisal shall in each case be borne by the Borrower (whether obtained by the Agent or by the Borrower). The Borrower shall, at the Agent's request, provide, at the Borrower's expense, updated environmental questionnaires or checklists concerning activities and conditions affecting the immovable property owned, leased or operated by the Obligors and/or environmental reports prepared for the Borrower (and specifically authorizing the Agent and the Lenders to rely thereon) by an environmental consultant or an environmental engineering firm acceptable to the Lenders concerning any immovable property owned, leased or operated by the Obligors. **[Redacted for confidentiality reasons]**

(b) The Obligors agree from time to time to deliver to the Agent such evidence of the existence, identity and location of the Collateral and of its availability as collateral security pursuant hereto (including, without limitation, schedules describing all Receivables created or acquired by the Obligors, copies of customer invoices or the equivalent and original shipping or delivery receipts for all merchandise and other Property sold or leased or services rendered, together with the Obligors' warranty of the genuineness thereof, and reports stating the book value of Inventory by major category and location), in each case as the Agent may request on behalf of the Lenders. The Agent shall have the right to verify all or any part of the Collateral in any manner, and through any medium, which the Agent considers appropriate (including, without limitation, the verification of Collateral through a mandatary of the Agent), and the Obligors agree to furnish all assistance and information, and perform any acts, which the Agent, on behalf of the Lenders, may require in connection therewith. The Borrower shall promptly notify the Agent of any Collateral which the Obligors have determined to have been rendered obsolete, stating the prior book value of such Collateral, its type and location. Notwithstanding the foregoing, if a Default or an Event of Default has occurred and is continuing, the Agent may act in its sole discretion.

8.7 FIXED CHARGE COVERAGE RATIO

The Borrower shall maintain at all times, on a consolidated basis, a Fixed Charge Coverage Ratio equal to or greater than 1:00:1:00 calculated and tested monthly based on the most recent financial statements then delivered to the Lenders (or at such other times as the Lenders determine necessary or appropriate) and measured on a rolling, trailing, consecutive twelve-month basis but only if Excess Availability is less than [redacted] of the lesser of the Borrowing Base or the Credit Limit for more than five (5) consecutive days.

The Borrower shall continue to maintain compliance with the Fixed Charge Coverage Ratio until the Excess Availability has been equal to or greater than [redacted] of the lesser for the Borrowing Base or the Credit Limit for more than two (2) consecutive calendar months.

For further clarity, the partial repayment in the amount of [redacted] on the Permitted Subordinated Indebtedness which shall be done on October 31st, 2020 shall be excluded from the Fixed Charge Coverage Ratio. **[Redacted for confidentiality reasons]**

8.8 DEBT

The Obligors shall not issue, incur, assume, guarantee, create or have outstanding any Debt; provided, however, that the foregoing shall not restrict nor operate to prevent:

(a) the Obligations of the Obligors owing to the Secured Parties and other Debt of the Borrower or any of its Subsidiaries from time to time owing to the Agent;

(b) Capitalized Lease Obligations secured by Liens permitted by Section 8.9(e) hereof not to exceed an aggregate amount of [redacted] during any fiscal year of the Borrower; **[Redacted for confidentiality reasons]**

(c) the Permitted Subordinated Indebtedness;

(d) the Debentures;

(e) endorsement of items for deposit or collection of commercial paper received in the ordinary course of business; and

(f) indebtedness owing by one Obligor to another Obligor;

8.9 LIENS

The Obligors shall not create, incur or permit to exist any Lien of any kind on any Property of any Obligor; provided, however, that the foregoing shall not apply to nor operate to prevent:

(a) Liens arising by statute in connection with worker's compensation, unemployment insurance, old age benefits, social security obligations, taxes, assessments, statutory obligations or other similar charges, good faith cash deposits in connection with tenders, contracts or leases to which an Obligor or any of its Subsidiaries is a party or other cash deposits required to be made in the ordinary course of business, provided in each case that the obligation is not for borrowed money and that the obligation secured is not overdue or, if overdue, is being Properly Contested;

(b) mechanics', workmen's, materialmen's, landlords', carriers', or other similar Liens, arising by statute in the ordinary course of business with respect to obligations which are not due or which are being Properly Contested;

(c) the Liens granted in favour of the Secured Parties by the Collateral Documents;

(d) Liens by an Obligor in favour of another Obligor provided that the Agent and the Lenders are the beneficiary of such Liens, and all registrations and other formalities to have the Agent and the Lenders the beneficiary of such Liens have been performed;

(e) Liens on Property of the Obligors created solely for the purpose of securing indebtedness permitted herein, representing or incurred to finance, refinance or refund the purchase price of Property purchased in the ordinary course of business, provided that no such Lien shall extend to or cover other Property of the Obligors or such Subsidiaries other than the respective Property so acquired, and the principal amount of indebtedness secured by any such Lien shall at no time exceed the original purchase price of such Property;

(f) the Liens granted in support of the Permitted Subordinated Indebtedness;

(g) the Liens set forth on Schedule 8.9;

(h) the reservations, limitations, provisos and conditions, if any, expressed in the original grant of an immovable or real property from the Crown or letters patent from the Crown;

(i) restrictions, easements, servitudes, rights of way or other similar rights in land, including, in each case, for sewers, drains, gas and water mains, electric light and power or telephone and telegraph conduits, poles and cables, pipelines or zoning restrictions affecting the use of an Obligor's immovable or real property, in each case which do not, in the reasonable opinion of the Agent, materially or adversely impair the use for which any one of such immovable or real property is intended nor impair the Liens under the Collateral Documents;

(j) except as set out in Section 9.1(g), any Lien of any judgment rendered or claim filed against an Obligor, which such Obligor or others on its behalf shall be Properly Contested; and

(k) minor title defects, homologated lines, zoning and building by-laws, ordinances, regulations and other governmental restrictions on the use of an immovable or real property, provided that none of the foregoing adversely affects the use, the value or marketability of such immovable or real property nor impairs the Liens under the Collateral Documents.

8.10 INVESTMENTS, ACQUISITIONS, LOANS AND ADVANCES

The Obligors shall not without the prior written approval of the Agent, directly or indirectly, make, any investments (whether through purchase of stock or obligations or otherwise) in, or loans or advances (other than for travel advances and other similar cash advances made to employees in the ordinary course of business) to, any other Person, or acquire all or any substantial part of the Property of any other Person or division thereof; provided, however, that the foregoing shall not apply to nor operate to prevent:

(a) investments in direct obligations of the government of Canada or the U.S. or of any agency or instrumentality thereof whose obligations constitute full faith and credit obligations of the government of Canada or the U.S., provided that any such obligations shall mature within one year of the date of issuance thereof;

(b) investments in commercial paper rated at least P-1 by Moody's Investors Services, Inc. and at least A-1 by Standard & Poor's Corporation maturing within 270 days of the date of issuance thereof;

(c) investments in certificates of deposit issued by any Canadian chartered bank having capital and surplus of not less than $100,000,000 which have a maturity of one year or less;

(d) extensions of credit or investment by an Obligor to or in another Obligor; or

(e) acquisitions provided that the following conditions are met [redacted]

[Redacted for confidentiality reasons]

In determining the amount of investments, acquisitions, loans and advances permitted under this Section 8.10, investments and acquisitions shall always be taken at the original cost thereof (regardless of any subsequent appreciation or depreciation therein) and loans and advances shall be taken at the principal amount thereof then remaining unpaid.

8.11 LEASES

The Obligors shall not acquire the use or possession of any Property under a lease or similar arrangement, whether or not the Obligors has the express or implied right to acquire title to or purchase such Property, at any time if, after giving effect thereto, either (i) the aggregate amount of fixed rentals and other consideration payable by the Obligors over the remaining unexpired terms of all such leases and similar arrangements would exceed $160,000,000, or (ii) the aggregate amount of fixed rentals and other consideration payable by the Obligors and its Subsidiaries under all such leases and similar arrangements would exceed $30,000,000 during any fiscal year of the Borrower. Capital Leases shall be included in computing compliance with this Section.

8.12 MERGERS, CONSOLIDATIONS AND SALES

The Obligors shall not be a party to any amalgamation, merger or consolidation, or sell, transfer, lease or otherwise dispose of all or any substantial part of their Property, including any disposition of Property as part of a sale and leaseback transaction, or in any event sell or discount (with or

without recourse) any of their notes or Receivables; provided, however, so long as no Event of Default has occurred and is continuing, this Section shall not apply to nor operate to prevent:

(a) any Obligor from selling its Inventory in the ordinary course of its business;

(b) any Obligor from selling obsolete or worn out Equipment, provided that the fair market value of all such Equipment sold during the period between the Closing Date and the Termination Date shall not exceed a maximum aggregate amount of [redacted]; **[Redacted for confidentiality reasons]**

(c) any Obligor from selling any Property to the extent permitted by Section 8.19;

(d) any Obligor from being merged or liquidated into, or consolidating or amalgamating with, the Borrower, so long as, in the case of a merger or consolidation, the continuing or surviving Person is the Borrower, or in the case of an amalgamation, the resulting Person is an Obligor and has granted the Agent a first ranking Lien, subject only to Permitted Liens, in its present and after-acquired Property as security for the Obligations and the Agent receives from a legal counsel acceptable to the Agent an opinion in form and substance acceptable to the Agent and its legal counsel; or

(e) any Obligor from being merged or liquidated into, or consolidating or amalgamating with, another Obligor (other than the Borrower), so long as the continuing, surviving or resulting Person is an Obligor and has granted the Agent a first ranking Lien, subject only to Permitted Liens, in its present and after-acquired Property as security for the Obligations and the Agent receives from a legal counsel acceptable to the Agent an opinion in form and substance acceptable to the Agent and its legal counsel.

8.13 NEW SUBSIDIARIES

At least thirty (30) days prior to any Person becoming a Subsidiary of the Borrower as permitted under this Agreement, notify the Agent that such a Person is to become a Subsidiary of the Borrower and furnish the Agent with all details thereof such as name, date and jurisdiction of incorporation, names of shareholders and percentages of ownership, description of businesses and addresses, as well as updated Schedules reflecting such Subsidiary; in addition, within ten (10) Business Days after such Person has become a Subsidiary of the Borrower, the Borrower shall cause to be executed and delivered to the Agent Collateral Documents and other Loan Documents by such Subsidiary together with such other documents reasonably requested by the Agent consistent with the terms of this Agreement, including an acknowledgement and consent by such Subsidiary to this Agreement and a joinder agreement to become party to this Agreement, as a Guarantor, security over all present and future Property of such Subsidiary by way of valid and enforceable first ranking perfected Liens for the benefit of the Agent and the Lenders, subject only to Permitted Liens, and such other information as the Agent shall reasonably request, including without limitation, officer's certificates, financial statements, field examinations and appraisal reports on Collateral, title and search reports, resolutions, charter documents, legal opinions and

any other documents referred to in Article 7, all in form and substance satisfactory to the Agent and Agent's Counsel.

8.14 MAINTENANCE OF SUBSIDIARIES

Except as permitted in Sections 8.12(d) and 8.12(e) and except for the Borrower, the other Obligors shall not assign, sell or transfer, or permit any of their Subsidiaries to issue, assign, sell or transfer, any shares of capital stock of a Subsidiary having Property in excess of $1,000,000; provided that the foregoing shall not operate to prevent the issuance, sale and transfer to any Person of any shares of capital stock of a Subsidiary solely for the purpose of qualifying, and to the extent legally necessary to qualify, such Person as a director of such Subsidiary.

8.15 PAYMENT OF DIVIDENDS OR PRINCIPAL REPAYMENT OF PERMITTED SUBORDINATED INDEBTEDNESS OR DEBENTURES

Except for any distribution between the Borrower and any other Obligor, the Obligors shall not during any fiscal year (i) declare or pay any dividends on or make any other distributions in respect of any class or series of shares of its Capital Stock, (ii) repay any principal amount owed under the Permitted Subordinated Indebtedness (including a partial repayment in the amount of [redacted] on the Permitted Subordinated Indebtedness which shall be done on October 31, 2020) or under the Debentures (excluding in such later case, any conversion of the Debentures into shares of the Borrower provided that no cash consideration be paid in connection with such a conversion), except if the following conditions are being met:

(a) Prior written notice of at least thirty (30) days shall be provided to the Agent and the Lenders

(b) Delivery of a Compliance Certificate to the Agent which shall include detailed calculations showing that (i) the Borrower will comply with the Fixed Charge Coverage Ratio set forth in Section 8.7 on a pro forma basis, both before and after such payment, on a rolling 12-months forward basis. The Fixed Charge Coverage Ratio calculations shall include the amount of the proposed dividend and/or principal repayments over the last trailing 12-months basis in accordance with Section 8.7 and (ii) the amount of Excess Availability represents not less than twenty percent (20%) of the Credit Limit during the three (3) months period preceding any payment after giving effect to any proceeds from equity injections used to reduce oustanding advances under the Credit Facility and the proposed dividends and/or principal repayments on a pro forma basis and on a forecasted basis for the 12-months period following the payment of such proposed dividends and/or principal repayments.

8.16 TERMINATION OF THE BORROWER'S EMPLOYEE PENSION BENEFIT PLAN

If the Borrower wishes to request an Extension of Credit under the Credit Facility to proceed with the termination of its employee pension benefit plan, the Borrower shall comply with the following conditions:

(a) Prior written notice of at least thirty (30) days shall be provided to the Agent and the Lenders

(b) Delivery of a Compliance Certificate to the Agent which shall include detailed calculations showing that (i) the Borrower will comply with the Fixed Charge Coverage Ratio set forth in Section 8.7 on a pro forma basis, both before and after such payment, on a rolling 12-months forward basis. The Fixed Charge Coverage Ratio calculations shall include the amount of the proposed termination repayment as Debt and (ii) the amount of Excess Availability represents not less than twenty percent (20%) of the Credit Limit during the three (3) months period preceding any payment and the proposed payment on a pro forma basis and on a forecasted basis for the 12-months period following the payment of such proposed payment.

8.17 CAPITAL STOCK

The Obligors shall not redeem, retire or purchase for value any class or series of shares of its Capital Stock, except that the Borrower may redeem, retire or purchase for value any class or series of shares of its Capital Stock, provided:

(a) there is no Default or Event of Default at the time of such transaction and immediately thereafter; and

(b) that after such transaction, [redacted]

[Redacted for confidentiality reasons]

8.18 LOCATION OF COLLATERAL AND OFFICES

The Collateral is and shall remain in the possession or control of the applicable Obligor at the locations listed on Schedule 6.1, which Schedule may be updated from time to time upon prior notice by the Borrower to the Agent and prior written approval of the Agent (collectively, the "**Permitted Collateral Locations**"). If for any reason any Collateral is at any time kept or located at a location other than a Permitted Collateral Location, the Agent shall nevertheless have and retain a Lien thereon. The applicable Obligor owns and shall at all times own all Permitted Collateral Locations, except to the extent otherwise disclosed on Schedule 6.1. No Obligor shall move its domicile or head office or maintain a place of business at a location other than those specified on Schedule 6.1 or permit the Collateral to be located at a location other than those specified on Schedule 6.1, in each case without first providing the Agent with thirty (30) days' prior written notice of its intent to do so; provided that each of the Obligors shall at all times maintain its domicile or head office and, unless otherwise specifically agreed to in writing by the Agent, Permitted Collateral Locations in the jurisdictions indicated on Schedule 6.1 in effect on

the date hereof and, with respect to any new domicile or head office or place of business or location of Collateral, the Obligors shall have taken all action requested by the Agent to maintain the Lien of the Agent in the Collateral at all times fully perfected and in full force and effect. As to any premises not owned by the Obligors wherein any of the Collateral is located, the Obligors shall, unless the Agent requests or consents otherwise, cause each party having any right, title or interest in, or Lien on, any of such premises to enter into a landlord agreement in form and substance acceptable to the Agent, which will include a cession of rank for any Lien on the Collateral and a right in favour of the Agent to remove such Collateral by the Agent.

8.19 SETTLEMENTS ON RECEIVABLES

Unless and until an Event of Default occurs and is continuing, any merchandise or other Property which are returned by a customer or account debtor or otherwise recovered may be resold by the Obligors in the ordinary course of their business as presently conducted; and, during the existence of any Event of Default, such merchandise and other Property shall be set aside at the request of the Agent and held by the Obligors as mandatary for the Agent and shall remain part of the Collateral. Unless and until an Event of Default occurs and is continuing, each of the Obligors may settle and adjust disputes and claims with its customers and account debtors, handle returns and recoveries and grant discounts, credits and allowances in the ordinary course of its business as presently conducted for amounts and on terms which it in good faith considers advisable; and, during the existence of any Event of Default, unless the Agent requests otherwise, the Borrower shall notify the Agent promptly of all returns and recoveries of merchandise or other Property and, on the Agent's request, deliver any such merchandise or other Property to the Agent. During the existence of any Event of Default, unless the Agent requests otherwise, the Borrower shall also notify the Agent promptly of all disputes and claims relating to merchandise and other Property and settle or adjust them at no expense to the Agent or the Lenders, but no discount, credit or allowance other than on normal trade terms in the ordinary course of business as presently conducted shall be granted to any customer or account debtor and no returns of merchandise or other Property shall be accepted by the Obligors without the Lenders' consent. The Agent may, at all times during the existence of any Event of Default, settle or adjust disputes and claims directly with customers or account debtors for amounts and upon terms which the Agent considers advisable.

8.20 COLLECTION OF RECEIVABLES

(a) Whether or not any Event of Default has occurred and is continuing and whether or not the Agent has exercised any or all of its rights under other provisions of this Section 8.20:

(i) in the event the Agent requests the Obligors to do so, all instruments, investment property and chattel paper at any time constituting part of the Receivables or any other Collateral (including any post-dated cheques) shall, upon receipt by any Obligor, be immediately endorsed to and deposited with the Agent; and

(ii) provided the Agent shall have exercised its rights under any blocked account agreement contemplated by Section 5.2, the Obligors shall, upon

request from the Agent, instruct all customers and account debtors to remit all payments in respect of Receivables or any other Collateral to a lockbox or lockboxes under the sole custody and control of the Agent, as applicable, and which are maintained at post office(s) specified by the Agent from time to time.

(b) Upon the occurrence of an Event of Default that is continuing and whether or not the Agent has exercised any or all of its rights under other provisions of this Section 8.20, and without prejudice to any other right or remedy available to the Agent, the Agent or its designee may notify the Obligors' customers and account debtors at any time that Receivables or any other Collateral have been hypothecated or otherwise charged in favour of the Agent, and either in its own name or the applicable Obligors' name, or both, demand, collect (including, without limitation, through a blocked account analogous to that described in Section 8.20(a)(ii) above), receive, give, receipt for, sue for, compound and give acquittance for any or all amounts due or to become due on Receivables or any other Collateral, and in the Agent's discretion file any claim or take any other action or proceeding which the Agent may deem necessary or appropriate to protect or realize upon the Lien of the Agent in the Receivables or any other Collateral. Each Obligor hereby irrevocably constitutes and appoints the Agent (and all Persons designated by the Agent) as such Obligor's true and lawful attorney for the purposes provided in this Section.

(c) Any proceeds of Receivables or other Collateral transmitted to or otherwise received by the Agent pursuant to any of the foregoing provisions hereof may be handled and administered by the Agent in and through one or more remittance accounts at the Agent (such remittance accounts to constitute special restricted accounts for purposes of and subject to the provisions of Section 5.2 of this Agreement), and the Obligors acknowledge that the maintenance of such remittance accounts by the Agent is solely for convenience of the Obligors and that no Obligor has any right, title or interest in such remittance account or any amounts at any time standing to the credit thereof. The Agent shall apply proceeds of Receivables and other Collateral received by it from any source to the payment of the Obligations (whether or not then due and payable), such applications to be made in accordance with Article 4 of this Agreement. Except for purposes of computing interest on the Obligations in accordance with this Agreement, the Agent need not apply or give credit for any item included in proceeds of Receivables or other Collateral until the Agent has received final payment therefor in cash at its office in Montréal, Québec, acceptable to the Agent as such. However, if the Agent does give credit for any item prior to receiving final payment therefor and the Agent fails to receive such final payment or an item is charged back to the Agent for any reason, the Agent may at its election in either instance charge the amount of such item back against the remittance account or any depository account of the Borrower or any other Obligor maintained with the Agent, together with interest thereon at the highest rate per annum applicable in Section 3.1 hereof which applies to Loans in the currency of the amount involved. Concurrently with each transmission of any proceeds of Receivables or other Collateral to the aforesaid remittance account, the

Borrower shall furnish the Agent with a report in such form as the Agent shall require, identifying the particular Receivable or other Collateral from which the same arises or relates. The Borrower hereby indemnifies the Indemnitees from and against all liabilities, damages, losses, actions, claims, judgments, costs, expenses, charges and legal fees (on a solicitor-client basis) suffered or incurred by any or all of them because of the maintenance of the foregoing arrangements, save and except if caused by the gross or intentional fault of an Indemnitee. The Indemnitees shall have no liability or responsibility for accepting any cheque, draft or other order for payment of money bearing the legend "payment in full" or words of similar import or any other restrictive legend or endorsement whatsoever or be responsible for determining the correctness of any remittance. The foregoing indemnity shall survive payment of the Obligations and termination of this Agreement.

8.21 INVENTORY AND EQUIPMENT

(a) Each Obligor shall at its own cost and expense maintain, keep and preserve its Inventory in good and merchantable condition.

(b) Each Obligor may, until otherwise notified by the Agent, use, consume and sell its Inventory in the ordinary course of business, but a sale in the ordinary course of business shall not under any circumstance include any transfer or sale in satisfaction, partial or complete, of a Debt owing by an Obligor.

(c) Subject to Section 8.12, the Obligors may, until otherwise notified by the Agent, sell obsolete, worn out or unusable Equipment.

(d) As of the time any Inventory or Equipment becomes subject to the Liens provided pursuant to the Collateral Documents and at all times thereafter, the Obligors shall be deemed to have warranted as to any and all of such Inventory and Equipment that all warranties of the Obligors set forth in this Agreement are true and correct with respect to such Inventory and Equipment; that all of such Inventory and Equipment is located at a Permitted Collateral Location and that, in the case of Inventory, such Inventory is new and unused and in good and merchantable condition. The Obligors warrant and agree that no Inventory is or will be consigned to any other Person without the Agent's prior written consent.

(e) If any Inventory is at any time evidenced by a document of title, such document shall be promptly delivered by the Borrower to the Agent except to the extent the Agent, on behalf of the Lenders, specifically requests the Borrower not to do so with respect to any such document.

8.22 COMPLIANCE WITH LAWS

The Obligors shall comply in all respects with the requirements of all Applicable Laws, non-compliance with which could have a Material Adverse Effect or could result in a Lien other than a Permitted Lien.

8.23 BURDENSOME CONTRACTS WITH AFFILIATES

The Borrower shall not, nor shall it permit any of its Subsidiaries to, enter into any contract, agreement or business arrangement with any of its Affiliates on terms and conditions which are materially less favourable to the Borrower or such Subsidiary than would be usual and customary in similar contracts, agreements or business arrangements between Persons not affiliated with each other.

8.24 NO CHANGES IN FISCAL YEAR

Neither the Borrower nor any of its Subsidiaries shall change its fiscal year from its present basis (being the last Saturday of December) without the prior written consent of the Lenders.

8.25 CONSTATING DOCUMENTS

No Obligor shall amend, supplement or terminate any of its constating documents in a manner which may materially and adversely affect the rights and remedies of the Agent and the Lenders under this Agreement or any other Loan Documents or any provision thereof without the prior written consent of the Lenders.

8.26 CHANGE IN THE NATURE OF BUSINESS

The Obligors shall not engage in any business or activity if as a result the general nature of the business of the Obligors or any of their Subsidiaries would be changed in any material respect from the general nature of the business engaged in by the Obligors or such Subsidiaries on the date of this Agreement.

8.27 DEPOSIT ACCOUNTS AND EXISTING BANK ACCOUNTS

The Obligors shall not, and shall not permit any of their Subsidiaries to, open or maintain any bank, deposit or similar account, except with the Agent.

8.28 CAPITAL EXPENDITURES

The Obligors shall not incur, without the prior written consent of the Lenders, Capital Expenditures, on a consolidated basis, exceeding [redacted] of the projected Capital Expenditures set forth in the budget submitted by the Borrower to the Agent pursuant to Section 8.5(h). **[Redacted for confidentiality reasons]**

8.29 PERFORMANCE OF COVENANTS

The Obligors shall observe and comply with all of their covenants and other agreements with the Agent and the Lenders. On failure of any Obligor to perform any such covenants and other agreements herein or in any other Loan Document, the Agent may, at the option of the Lenders, but with no obligation to do so (after reasonable notice to the Borrower, if the Agent, acting reasonably, deems it appropriate and provided no Default has occurred and is continuing) perform, or cause the performance of, the same and in so doing may expend such sums as the Agent may deem advisable in the performance thereof, including, without limitation, the payment of any

insurance premiums, the payment of any taxes, liens and encumbrances, expenditures made in defending against any adverse claims, and all other expenditures which the Agent may be compelled to make by operation of law or which the Agent may make by agreement or otherwise for the protection of the Collateral. All such sums and amounts so expended shall be repayable by the Obligors immediately without notice or demand, shall constitute additional Obligations secured by the Collateral and shall bear interest from the date said amounts are expended at the highest rate per annum referred to in Section 3.1 hereof which applies to Loans in the currency of the sum or amount involved. No such performance of any covenant or agreement by the Agent and no such advancement or expenditure therefor shall relieve the Obligors of any default under the terms of this Agreement or otherwise or in any way obligate the Agent or the Lenders to take any further or future action with respect thereto. The Agent, in making any payment hereby authorized, may do so according to any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien or title or claim. The Agent, in performing any act hereunder, shall be the sole judge of whether the Obligors are required to perform same under the terms of this Agreement or any other Loan Documents. The Agent is hereby authorized to charge any depository or other account of the Obligors maintained with the Agent for the amount of such sums and amounts so expended.

8.30 INSOLVENCY APPLICATIONS

Each Obligor acknowledges that its business and financial relationships with the Agent and the Lenders is unique, and that the Agent and the Lenders do not have a common interest with any of the Obligors' other creditors. The Obligors agree that if they file any plan of arrangement under the *Companies' Creditors Arrangement Act* (Canada) or any similar legislation or make any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any similar legislation, the Obligors shall not vote to have the Agent and the Lenders placed in any class with other creditors of the Obligors for voting and distribution purposes.

8.31 PERMITTED SUBORDINATED INDEBTEDNESS

The Borrower shall not, and shall not permit any of its Subsidiaries to, pay or permit to be paid any amount (whether on account of principal, interest or otherwise) outstanding under any Permitted Subordinated Indebtedness if a Default or Event of Default has occurred and is continuing or would occur as a result of such payment. The Borrower shall not amend, restate or otherwise modify the terms or conditions governing or relating to any Permitted Subordinated Indebtedness the whole as set forth in the Intercreditor Agreement. Any principal payment under the Permitted Subordinated Indebtedness shall be subject to the terms and conditions set forth in Section 8.15.

8.32 USE OF PROCEEDS

The Borrower shall use the proceeds of the Extensions of Credit for general working capital purposes and ongoing operating requirements of the Obligors, including acquisitions and dividend payments, to finance accounts receivable and inventory of the Obligors, to proceed with the termination of the Borrower's employee benefit pension plan as per Section 8.16 and for such other legal and proper purposes as are consistent with Applicable Laws and the terms of this

Agreement and the other Loan Documents, all to the extent permitted by this Agreement and the other Loan Documents. The Borrower shall not, directly or indirectly, use any Letter of Credit or proceeds of Extensions of Credit, nor use, lend, contribute or otherwise make available any Letter of Credit or proceeds of Extensions of Credit to any Subsidiary, joint venture partner or other Person, (i) to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of issuance of the Letter of Credit or funding of the Extension of Credit, is the subject of any Sanction; or (ii) in any manner that would result in a violation of a Sanction by any Person (including any Secured Party or other individual or entity participating in a transaction).

8.33 NO HOARDING

The Obligors shall not seek an Extension of Credit hereunder for any purpose other than to fund costs and expenses reasonably anticipated to be incurred by the Obligors in the ordinary course of business and within 10 days from the date of such Extension of Credit. The Obligors shall not seek an Extension of Credit if they have cash on hand in an amount sufficient to pay such costs and expenses.

8.34 POST CLOSING MATTERS

The Obligors undertake to take all actions and provide the Agent with the documents listed in Schedule 8.34 in form and substance satisfactory to the Agent and the Lenders, within the delay provided in Schedule 8.34 in respect of each action and document.

ARTICLE 9
EVENTS OF DEFAULT AND REMEDIES

9.1 EVENTS OF DEFAULT

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

(a) default in the payment when due of all or any part of any Obligation payable by the Borrower or any other Obligor hereunder or under any other Loan Document (whether at the stated maturity thereof or at any other time provided for in this Agreement or such other Loan Document) provided, in the case of any payment of interest only, that such default is not remedied within two (2) Business Days, of its due date, whether due by acceleration or otherwise; or

(b) default in the observance or performance of the financial covenant set forth in Section 8.7 hereof or of any provision of any Loan Document requiring the maintenance of insurance on the Collateral subject thereto or dealing with the use or remittance of proceeds of Collateral; or

(c) default in the observance or performance of any other provision hereof (other than those described in subsections (a) and (b) above) or of any other Loan Document which is not remedied within ten (10) Business Days after the date on which written notice thereof is given to the Borrower by the Agent; or

(d) any representation or warranty made by the Borrower or any other Obligor herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any Extension of Credit made hereunder, proves untrue in any material respect as of the date of the issuance or making thereof; or

(e) any event occurs or condition exists (other than those described in subsections (a) through (d) above) which is specified as a default or an event of default under any of the other Loan Documents (after the expiry of any applicable cure periods), or any of the Loan Documents shall for any reason not be or shall cease to be in full force and effect, or any of the Loan Documents is declared to be null and void, or any of the Collateral Documents shall for any reason fail to create a valid and perfected first ranking Lien in favour of the Agent in any Collateral purported to be covered thereby except as expressly permitted by the terms thereof and subject to Permitted Liens; or

(f) default shall occur under any Indebtedness for Borrowed Money in an amount exceeding $1,000,000, issued, assumed or guaranteed by the Borrower or any other Obligor, or under any indenture, agreement or other instrument under which the same may be issued and such default shall continue for a period of time sufficient to permit the acceleration of the maturity of any such Indebtedness for Borrowed Money (whether or not such maturity is in fact accelerated), or any such Indebtedness for Borrowed Money shall not be paid when due (whether by lapse of time, acceleration or otherwise); or

(g) any judgment or judgments, writ or writs, or warrant or warrants of attachment, distress or any similar process or processes in an aggregate amount in excess of $1,000,000, shall be entered or filed against the Borrower or any other Obligor or against any of their Property and which remains unvacated, unbonded, unstayed or unsatisfied for a period of thirty (30) days or if, within such period, any seizure or taking possession of any Property of the Borrower or such other Obligor occurs by or on behalf of the related creditor; or

(h) the dissolution, wind-up or termination of existence of any Obligor (except as permitted by Section 8.12); or

(i) an event or circumstance occurs that has a Material Adverse Effect; or

(j) a Change of Control of any Obligor shall have occurred; or

(k) any Obligor shall (i) have entered involuntarily against it a receiving order or other order for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other legislation in respect of bankruptcy, insolvency or relief of debtors (including, without limitation, the United States Bankruptcy Code), (ii) not pay, or admit in writing its inability to pay, its Debts generally as they become due, or commit any other act of bankruptcy, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent

to, or acquiesce in, the appointment of a receiver, receiver-manager, interim receiver, custodian, monitor, trustee, examiner, liquidator or similar official (a "**Receiver**") for it or any substantial part of its Property, (v) institute any proceeding seeking relief (including, without limitation, any assignment, proposal or the giving of any notice of intention to make a proposal) under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other legislation in respect of bankruptcy, insolvency or relief of debtors (including, without limitation, the United States Bankruptcy Code), or to adjudicate it insolvent, or seeking dissolution, winding-up, liquidation, reorganization, arrangement, adjustment or composition of it or its Debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or fail to file promptly and in good faith an answer or other pleading denying (or shall admit) the material allegations of any such proceeding filed against it or shall consent to, acquiesce in or indicate approval of, any such proceeding, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 9.1(l) hereof and which proceeding has not been dismissed within thirty (30) days; or

(l) a Receiver shall be appointed for any Obligor or a substantial part of any of its Property, and such appointment continues undischarged except if such Obligor has not consented in any way to such appointment and such appointment is being properly contested in good faith by appropriate proceedings promptly instituted and diligently pursued, or if, within a period of thirty (30) days, a Receiver or creditor shall take possession of any Property of any Obligor; or

(m) if there is any default under any loan agreement or other loan agreement evidencing or securing the Permitted Subordinated Indebtedness; or

(n) the Intercreditor Agreement shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void, or shall for any reason fail to provide the Agent and the Lenders with the priority contemplated thereby; or

(o) the Permitted Subordinated Indebtedness is at any time held by any Person not a party to the Intercreditor Agreement; or

(p) the Borrower or any other Obligor defaults in the observance or performance of any provision in the Intercreditor Agreement.

9.2 NON-BANKRUPTCY DEFAULTS

Upon the occurrence of any Event of Default described in Section 9.1, other than in Subsections 9.1(k) or 9.1(l), the Agent may, and at the direction of the Majority Lenders, the Agent shall, by notice to the Borrower, take one or more of the following actions:

(a) terminate the obligation of the Agent and the other Lenders to extend any further credit on the date (which may be the date thereof) stated in such notice, whether or not further credit would otherwise be available;

(b) declare the principal of and the accrued interest on any Loan, and all other Obligations then outstanding, to be forthwith due and payable and thereupon any Loan, and all such other Obligations, including both principal and interest and all fees, charges and other Obligations payable hereunder and under the other Loan Documents, shall be and become immediately due and payable without further demand, presentment, protest or notice of any kind; and

(c) enforce any and all rights and remedies available to it under the Loan Documents or Applicable Laws.

9.3 BANKRUPTCY DEFAULTS

Upon the occurrence of any Event of Default described in Subsections 9.1(k) or 9.1(l), then any and all Loans and all other Obligations then outstanding, including both principal and interest, and all fees, charges and other Obligations payable hereunder and under the other Loan Documents, shall be and become immediately due and payable without further demand, presentment, protest or notice of any kind, and the obligation of the Agent and the other Lenders to extend further credit pursuant to any of the terms hereof shall immediately terminate, whether or not further credit would otherwise be available. In addition, the Agent may enforce any and all rights and remedies available to it under the Loan Documents or Applicable Laws.

9.4 COLLATERAL FOR UNDRAWN LETTERS OF CREDIT, BAS AND LIBOR LOANS

Upon the occurrence of any Event of Default, other than an Event of Default described in Subsections 9.1(k) or 9.1(l), the Borrower shall, upon demand of the Agent, and upon the occurrence of any Event of Default described in Subsections 9.1(k) or 9.1(l) of Section 9.1, the Borrower shall, without notice or demand from the Agent, immediately pay to the Agent and/or the L/C Lender, as applicable, for the benefit of the Lenders, the full amount of each Letter of Credit, Letter of Guarantee, CDOR Loan and LIBOR Loan then outstanding, the Borrower agreeing to immediately make such payment and acknowledging and agreeing that the Agent and/or the L/C Lender, as applicable, and the Lenders would not have an adequate remedy at law for failure of the Borrower to honour any such demand and that the Agent and/or the L/C Lender and the Lenders shall have the right to require the Borrower to specifically perform such undertaking, whether or not any draws have been made under any such Letters of Credit, Letters of Guarantee, or any CDOR Loan or LIBOR Loan has been presented for payment.

9.5 COLLATERAL FOR OUTSTANDING HEDGE CONTRACTS

Upon the occurrence of any Event of Default, other than an Event of Default described in Subsections 9.1(k) or 9.1(l), the Borrower shall, upon demand of the Agent, and upon the occurrence of any Event of Default described in Subsections 9.1(k) or 9.1(l), the Borrower shall, without notice or demand from the Agent, immediately pay to the Agent, for the benefit of the

Lead Swap Arranger, the mark-to-market value of all Hedge Contracts in respect of which such Permitted Hedge Provider has not already been fully reimbursed and pay all other amounts owing to such Permitted Hedge Provider under the terms of such Hedge Contracts, the Borrower agreeing to immediately make such payment and acknowledging and agreeing that such Permitted Hedge Provider would not have an adequate remedy at law for failure of the Borrower to honour any such demand and that such Permitted Hedge Provider shall have the right to require the Borrower to specifically perform such undertaking without regard to the date upon which such Permitted Hedge Provider may be required under any outstanding Hedge Contract to purchase any currency on behalf of the Borrower, the date upon which the Borrower is obligated to reimburse such Permitted Hedge Provider for currency purchased by it or the date upon which the Borrower is obligated to pay to such Permitted Hedge Provider any other amounts owing to such Permitted Hedge Provider under the terms of such Hedge Contract or otherwise.

ARTICLE 10
THE AGENT AND THE LENDERS

10.1 ARRANGEMENTS FOR LOANS

The Agent shall give notice to each Lender upon receipt by the Agent of any notice given under this Agreement which affects the Lenders. The Agent shall advise each Lender of the amount, date and details of each Loan and of each Lender's participation in each Loan. At or before 1:00 p.m. (Montreal time) on the Drawdown Date, each Lender shall make its participation under the Credit Facility available at the Agent. Subject to the provisions of this Agreement, each Lender shall make available its participation in the Loan requested by the Borrower to the Agent. Unless the Agent has received written notice from a Lender that such Lender has not made or will not make available to the Agent for value on the Drawdown Date requested for a Loan by the Borrower such Lender's Rateable Portion of such Loan requested, 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 the amount required pursuant to Section 6.1 of the Provisions. A certificate of the Agent containing details of the amount owing by a Lender under this Section shall be deemed to be 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 (but for greater certainty, without prejudice to any claim which the Borrower might have against such Lender as a result of such Lender not having made its Rateable Portion of such Loan).

10.2 PAYMENTS BY AGENT

(a) The following provisions shall apply to any and all payments made or to be made by the Agent to the Lenders:

(i) 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;

(ii) if the Agent receives a payment of principal, interest, fees or other amount owing by the Borrower which is less than the full amount of any such payment due, the Agent shall, subject to Section 4.2(f), have no obligation to remit to a Lender any amount other than such Lender's Rateable Portion of the amount actually received by the Agent;

(iii) if any Lender has advanced more or less than its Rateable Portion of its Commitment, 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;

(iv) if a Lender's Rateable Portion of an Extension of Credit has been advanced for less than the full period to which any payment by the Borrower relates, such Lender's entitlement to receive a portion of any payment of interest or fees shall be reduced in proportion to the length of time such Lender's Rateable Portion has actually been outstanding (unless such Lender has paid all interest required to have been paid by it to the Agent pursuant to Section 10.1);

(v) the Agent, acting 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 be deemed to be conclusive in the absence of manifest error;

(vi) upon request, the Agent shall deliver a statement detailing any of the payments to the Lenders;

(vii) all payments by the Agent to a Lender hereunder shall be made to such Lender at its address set out herein unless notice to the contrary is received by the Agent from such Lender; and

(viii) if the Agent has received a payment from the Borrower on a Business Day (not later than the time required for the receipt of such payment as set out in this Agreement) and fails to remit such payment to any Lender entitled to receive any such payment on such Business Day, the Agent agrees to pay interest on such late payment at the same rate and in the same manner as set out in Section 10.1.

(b) 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 in writing that the payment will be made, 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 to each Lender its share of the payment expected from the Borrower. If the Agent has made such payments to any Lenders and the expected payment from the Borrower is in fact not received by the Agent on the required date, then each Lender which has received any such payment agrees to refund such payment to the Agent immediately upon request, and 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 of having made such payments to the Lenders, except for those arising from the Agent's negligence or wilful misconduct. A certificate of the Agent with respect to any amount owing by the Borrower under this Section shall be deemed to be conclusive in the absence of manifest error.

10.3 DECISION-MAKING

(a) Any amendment, waiver, consent, discharge or termination with respect to this Agreement relating to the following matters shall be effective only if agreed between the Borrower and the Unanimous Lenders (such amendment, consent, waiver, discharge or termination, as applicable, having been approved by all of the Lenders):

(i) any change to the amount of any principal or any other amount payable by the Borrower, any decrease in any interest rate or fee margin payable by the Borrower, or any alteration in the currency or mode of calculation or computation of any amount payable hereunder;

(ii) an increase in the Total Commitment or in any Lender's Commitment other than pursuant to the provisions of Section 2.14;

(iii) a change in the definition of "Unanimous Lenders";

(iv) a change in the definition of "Majority Lenders";

(v) the removal of the requirement that Extensions of Credit not exceed the Borrowing Base or that an increase in the frequency that a Borrowing Base Certificate is required to be delivered under Section 8.5(a);

(vi) a material change in the definition of "Borrowing Base", "Eligible Accounts Receivable", "Receivable", "Inventory" or "Eligible Inventory";

(vii) any change to Section 9.1 or what constitutes an Event of Default;

(viii) any extension or reduction of the time for any payments required to be made by the Borrower;

(ix) any change in the Availment Options made available to the Borrower;

(x) any change in the Termination Date;

(xi) an extension or reduction of the notice period required to be given by the Borrower requesting an Extension of Credit;

(xii) an assignment or transfer by any Obligor of any of its rights and obligations under this Agreement;

(xiii) any material change in the nature and scope of the Collateral Documents or, subject to Section 10.4(b), any release or discharge of Collateral having a value not exceeding $250,000 or Collateral Documents, except that the Agent may from time to time without notice to or the consent of the Lenders execute and deliver partial releases of the Collateral Documents from time to time in respect of any item of Collateral to the extent expressly permitted in this Agreement, whether or not the Borrower may have an obligation to apply the net proceeds thereof as a repayment hereunder;

(xiv) any material amendment, restatement or other modification to the Intercreditor Agreement; or

(xv) any provision of this Section 10.3.

(b) Except for the matters described in paragraph (a) above, any amendment, waiver, consent, discharge or termination with respect to this Agreement shall be effective only if agreed between the Borrower and the Majority Lenders, or between the Borrower and the Agent if with the consent of the Majority Lenders, and any such amendment, waiver, consent, discharge or termination shall be final and binding upon all of the Lenders. For greater certainty, and subject to the matters described in paragraph (a) above, where the terms of the Agreement or any other Loan Document refer to any action to be taken hereunder or thereunder by the Lenders or to any such action that requires the consent or other determination of the Lenders, the action taken by and the consent or other determination given or made by the Majority Lenders shall, except to the extent that this Agreement expressly provides to the contrary, constitute the action or consent or other determination of all the Lenders, and the Agent may exercise its powers under Article 10 hereof and the Loan Documents based upon such action, consent or other determination.

(c) Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver, consent, discharge or termination hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender.

(d) The Agent may execute any of its duties under this Agreement or any other Loan Document by or through mandataries, employees or attorneys and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible to the Lenders for the negligence or misconduct of any

mandatary or attorney that it selects as long as such selection was made without gross or intentional fault.

10.4 SECURITY HELD BY AGENT

(a) The Security shall be granted in favour of and held by the Agent or the Attorney for and on behalf of the Secured Parties in accordance with the provisions of this Agreement. If the Agent becomes aware of any matter concerning the Collateral Documents which it considers to be materially adverse to the Lenders, it shall inform the Lenders. The Agent agrees to permit each Lender to review and make photocopies of the original documents comprising the Collateral Documents from time to time upon reasonable notice. Each Lender acknowledges that to the extent permitted by Applicable Laws, the Collateral Documents and the remedies provided under the Loan Documents to the Lenders are for the benefit of the Lenders collectively and acting together and not severally, and further acknowledges that its rights hereunder and under the Collateral Documents are to be exercised not severally, but by the Agent in accordance with this Agreement and the Loan Documents. Accordingly, notwithstanding any of the provisions contained herein or in the Collateral Documents each Lender covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including, without limitation, any declaration of default hereunder or thereunder but that any such action shall be taken only by the Agent in accordance with this Agreement and the Loan Documents. Notwithstanding the foregoing, each Lender, to the extent permitted by Applicable Laws, may take security pursuant to Section 427 of the Bank Act from any Obligor, and the provisions of this Section 10.4(a) shall apply mutatis mutandis to such security, the parties hereto acknowledging that proceeds of realization of such security pursuant to Section 427 of the Bank Act are to be shared rateably amongst the Lenders.

(b) Subject to Section 10.3(a)(xiii), the Lenders authorize the Agent to release any Lien with respect to any Collateral (a) upon full payment of the Obligations, (b) that is the subject of disposition which is permitted hereby which the Borrower certifies in writing to the Agent is a disposition which is permitted hereby (and the Agent may rely conclusively on any such certificate without further inquiry), (c) that does not constitute a material part of the Collateral, or (d) with the written consent of all Lenders. The Agent shall have no obligation whatsoever to any Lenders to assure that any Collateral exists or is owned by an Obligor, or is cared for, protected, insured or encumbered, nor to assure that the Agent's Liens have been properly created, perfected, rendered opposable or enforced, or are entitled to any particular priority, nor to exercise any duty of care with respect to any Collateral.

(c) The Agent and the Lenders appoint each other Lender as mandatary for the purpose of perfecting Liens (for the benefit of Secured Parties) in any Collateral that, under Applicable Laws, can be perfected by possession or delivery. If any Lender obtains possession of any such Collateral, it shall notify the Agent thereof and, promptly upon Agent's request, deliver such Collateral to the Agent or otherwise deal with such Collateral in accordance with the Agent's instructions.

10.5 PROTECTION OF AGENT

(a) Unless and until instructed by the Majority Lenders (or, where applicable, the Unanimous Lenders), the Agent shall not be bound to inquire as to: (i) whether any representation or warranty made by any Obligor in or in connection with any Loan Document is true; (ii) the occurrence or continuance of any Event of Default or Default; (iii) the performance by any Obligor of its obligations under any Loan Document; (iv) any breach of or default by any Obligor under its obligations under any Loan Document; or (v) the use or application by the Borrower of the proceeds of any Extension of Credit. The Agent shall report the results of any such enquiry to the Lenders, but shall have no obligation to take any action in connection therewith unless otherwise instructed by the Majority Lenders (or, where applicable, the Unanimous Lenders) as provided herein.

(b) Unless the Agent has actual knowledge or actual notice to the contrary, it may assume that: (i) any representation or warranty made by any Obligor in or in connection with any Loan Document is true; (ii) no Event of Default or Default has occurred; and (iii) the Obligors are not in breach of or in default under, their obligations under any Loan Document.

(c) Unless the Agent has actual knowledge or actual notice to the contrary, it may assume that each Lender's address is that set out herein until it has received from such Lender a written notice designating some other office of such Lender as its address and act upon any such notice until the same is superseded by a further such notice.

(d) The Agent may engage and pay for the advice or services of any lawyers, accountants or other experts whose advice or services may to it seem necessary, expedient or desirable and rely upon any advice so obtained.

(e) Unless the Agent has actual knowledge or actual notice to the contrary, the Agent may rely as to matters of fact which might reasonably be expected to be within the knowledge of any Obligor upon a statement made by an Obligor which is contained in any Loan Document.

(f) Unless the Agent has actual knowledge or actual notice to the contrary, the Agent may rely upon any communication or document believed by it to be genuine.

(g) The Agent may refrain from exercising any right, power or discretion vested in it under this Agreement unless and until instructed by the Majority Lenders or the Unanimous Lenders, as applicable, as to whether or not such right, power or discretion is to be exercised and, if it is to be exercised, as to the manner in which it should be exercised.

(h) The Agent may refrain from exercising any right, power or discretion vested in it which would or might in its opinion in its sole discretion be contrary to any law of any jurisdiction or any directive or otherwise render it liable to any Person, and may

do anything which is in its opinion in its sole discretion necessary to comply with any such law or directive.

(i) The Agent may delegate to such other Person, such duties and responsibilities of the Agent hereunder as it shall determine to be appropriate in respect of dealings with or relating to the Borrower or any other Person.

(j) The Agent may refrain from acting in accordance with any instructions of, as applicable, the Majority Lenders or Unanimous Lenders, to take any legal action or proceeding arising out of or in connection with the Loan Documents or take any steps to enforce or realize upon any Collateral Documents, until it shall have received such security or indemnity as it may require (whether by way of payment in advance or otherwise) against all costs, claims, expenses (including legal fees) and liabilities which it will or may expend or incur in complying with such instruction.

(k) The Agent shall not be bound to disclose to any Person any information relating to the Borrower or any other Obligor if such disclosure would or might in its opinion in its sole discretion constitute a breach of any law or regulation or be otherwise actionable at the suit of any Person.

(l) The Agent shall have no responsibility to any Lender for the accuracy and/or completeness of any information supplied in connection herewith or for the legality, validity, effectiveness, adequacy or enforceability of any Loan Document and the Agent shall not be under any liability to any Lender as a result of taking or omitting to take any action in relation to any Loan Document save in the case of the Agent's gross negligence or wilful misconduct.

(m) None of the Agent-Related Persons shall (i) be liable to the Lenders for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross or intentional fault), or (ii) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by any Obligor or any Affiliate of any Obligor, or any officer thereof, contained in this Agreement or in any other Loan Document, or in any Certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of the Obligors or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of the Obligors or their Affiliates.

10.6 DUTIES OF AGENT

The Agent shall:

(a) provide to each Lender copies (including, if available, electronic copies) of all financial information received from the Borrower after receipt thereof, and other notices received by the Agent from the Borrower upon request by any Lender;

(b) promptly advise each Lender of Extensions of Credit required to be made by it hereunder and disburse all repayments to the Lenders thereunder in accordance with the terms of this Agreement;

(c) notify each Lender of the occurrence of any Event of Default or any Default and of which the Agent has actual knowledge or actual notice;

(d) each time the Borrower requests the prior written consent of the Majority Lenders, use its best efforts to obtain and communicate to the Borrower the response of the Majority Lenders in a reasonably timely manner having due regard to the nature and circumstances of the request;

(e) give written notice to the Borrower in respect of any other matter in respect of which notice is required in accordance with or pursuant to this Agreement, after receiving the consent of the Majority Lenders or the Unanimous Lenders, if required under the terms of this Agreement;

(f) except as otherwise provided in this Agreement, act in accordance with any instructions given to it by, as applicable, the Majority Lenders or the Unanimous Lenders;

(g) at the time of engaging any agent, receiver, receiver-manager, consultant, monitor or other party in connection with the Collateral Documents or the enforcement thereof, obtain the agreement of such party to comply with the applicable terms of this Agreement and the Loan Documents in carrying out any such enforcement activities and dealing with any proceeds of realization;

(h) if so instructed by the Majority Lenders or the Unanimous Lenders, as applicable, refrain from exercising any right, power or discretion vested in it under this Agreement or any other Loan Document incidental hereto;

(i) account for any monies received by it in connection with this Agreement, the Collateral Documents and any other agreement delivered in connection herewith or therewith;

(j) determine whether any Receivables or Inventory constitute Eligible Accounts or Eligible Inventory, or whether to impose or release any reserve, which determinations and judgments, if exercised in good faith, shall exonerate the Agent from liability to any Lender or other Person for any error in calculation or judgment; and

(k) call a meeting of the Lenders at any time not earlier than five (5) days and not later than thirty (30) days after receipt of a written request for a meeting provided by any Lender; provided that the above notice requirements may be waived by the unanimous agreement of the Lenders; and provided further that any instrument executed by all of the Lenders (which may be in counterparts) shall have the same effect as if passed by the Lenders at a duly called meeting.

10.7 LEGAL PROCEEDINGS BY AGENT

The Agent shall not be obligated to take any legal proceedings against the Obligors for the recovery of any amount due under this Agreement or the Collateral Documents, unless instructed to do so by, as applicable, the Majority Lenders or the Unanimous Lenders. No Lender shall bring legal proceedings against any Obligor hereunder or under any Collateral Documents or under any other Loan Documents or in connection herewith or therewith, or exercise any right arising hereunder or thereunder or in connection herewith or therewith over the property and assets of any Obligor, without the prior written consent of the Unanimous Lenders.

10.8 ACKNOWLEDGEMENT BY THE BORROWER

The Borrower acknowledges notice of the terms of the provisions of this Article 10 and agrees, while it shall have no rights under Article 10 other than under Section 10.9, it shall be bound to the extent of its obligations hereunder, and further agrees to not make any payments, take any action or omit to take any action which would result in the non-compliance by any Lender with its obligations hereunder.

10.9 AMENDMENTS TO ARTICLE 10 AND ARTICLE 7 OF THE PROVISIONS

The Agent and the Lenders may amend any provision in this Article 10 or of Article 7 of the Provisions without prior notice to or the consent of the Borrower, and the Agent shall provide a copy of any such amendment to the Borrower or any other Obligor reasonably promptly thereafter; provided however if any such amendment would adversely affect any rights, entitlements, obligations or liabilities of the Borrower or other Obligors (other than in a *de minimis* manner), such amendment shall not be effective until the Obligors provide written consent thereto, such consent not to be unreasonably withheld or arbitrarily delayed.

10.10 DELIVERIES, ETC.

As between the Obligors, the Agent and the Lenders: (a) all statements, certificates, consents and other documents which the Agent purports to deliver to an Obligor on behalf of the Lenders shall be binding on each of the Lenders, and none of the Obligors shall 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 an Obligor to the Agent in accordance with this Agreement shall be deemed to have been duly delivered to each of the Lenders; and (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, as applicable.

10.11 AGENCY FEE

The Borrower agrees to pay the Agent certain fees in such amount and at such times as may be agreed in writing from time to time between the Borrower and the Agent.

10.12 ADJUSTMENTS AMONG LENDERS

(a) **Adjustment After Exercise of Rights**. Each Lender agrees that, after the exercise of any rights pursuant to Sections 9.2 or 9.3, it will at any time or from time to time, upon the request of the Agent, as required by any other Lender, purchase portions of the amounts due and owing to the other Lenders and make any other adjustments which may be necessary or appropriate so that the amounts due and owing to each Lender (excluding any amounts received by the L/C Lender, the Swingline Lender or the Agent to secure the obligations of a Defaulting Lender or an Impacted Lender to fund risk participations hereunder), as adjusted under this Section 10.12, will, as nearly as possible, reflect each Lender's Rateable Portion of the Obligations (but excluding, for greater certainty, the negative mark-to-market value of all Hedge Contracts then outstanding in excess of [redacted] or the U.S. Dollar Equivalent thereo), determined as at the date of the exercise of any such rights. **[Redacted for confidentiality reasons]**

(b) **General Application**. For greater certainty, the Lenders acknowledge and agree that, without limiting the generality of the provisions of Section 10.12(a), those provisions will have application if and whenever any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of compensation, set-off or otherwise) on account of any money owing or payable by the Borrower to it in excess of the amounts to which it would otherwise be entitled under Section 10.12.

(c) **Adjustments to Extensions of Credit**. Notwithstanding anything else herein contained, the Agent may, when determining amounts payable to or payable by or to be advanced by a Lender in connection with Extensions of Credit, which amounts are determined by or by reference to that Lender's Rateable Portion, make such adjustments to such amount as it deems appropriate in its sole discretion to account or adjust for any amounts advanced to the Borrower, if any, by way of Letter of Credit, Letter of Guarantee or BAs.

(d) **Borrower Agreement**. The Borrower agrees to be bound by and to do all things necessary or appropriate to give effect to any and all purchases and other adjustments made by and between the Lenders under this Section 10.12 but shall incur no increased liabilities by reason thereof.

10.13 AGENT MAY DEBIT ACCOUNTS

The Borrower hereby irrevocably authorizes and directs the Agent, in its discretion, to debit automatically, by mechanical, electronic or manual means, any bank account of the Borrower maintained with the Agent for all amounts payable by the Borrower under this Agreement or any

other Loan Document, including the repayment of principal and the payment of interest, fees and all charges for the keeping of that bank account. The Agent shall notify the Borrower as to the particulars of those debits in the normal course.

10.14 FIELD EXAMINATION REPORTS; DISCLAIMER BY LENDERS

By signing this Agreement, each Lender:

(a) is deemed to have requested that the Agent furnish such Lender, after it becomes available, a copy of each field examination report (each a "**Report**" and collectively, "**Reports**") prepared by the Agent;

(b) expressly agrees and acknowledges that the Agent (i) makes no representation or warranty as to the accuracy of any Report, or (ii) shall not be liable for any information contained in any Report;

(c) expressly agrees and acknowledges that the Reports are not comprehensive examinations, that the Agent or any other party performing any examination will inspect only specific information regarding the Obligors and will rely significantly upon the Obligors' books and records, as well as on representations of the Obligors' personnel;

(d) agrees to keep all Reports confidential and strictly for its internal use, and not to distribute, except to its participants, or use any Report in any other manner; and

(e) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold the Agent and any such other Lender preparing a Report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to the Borrower, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of the Borrower; and (ii) to pay and protect, and indemnify, defend and hold the Agent and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses and other amounts (including counsel's costs) incurred by the Agent and any such other Lender preparing a Report as the direct or indirect result of any third party who might obtain all or part of any Report through the indemnifying Lender.

10.15 FONDÉ DE POUVOIR

Each Lender confirms the appointment and designation of the Agent (or any successor thereto) as the person holding the irrevocable power of attorney and as hypothecary representative ("*fondé de pouvoir*") within the meaning of Article 2692 of the *Civil Code of Québec* for the purposes of holding security under each deed of hypothec granted or to be granted by an Obligor under the laws of the Province of Québec pursuant hereto and, in such capacity, the Attorney shall hold the hypothecs granted under the laws of the Province of Québec as such *fondé de pouvoir* for all

present and future Lenders and for the holder of any bond or debenture secured thereby in the exercise of the rights conferred thereunder. Each future Lender that becomes a party to this Agreement, by becoming a party to this Agreement, shall be deemed to have ratified and confirmed the appointment of the Attorney as *fondé de pouvoir*. Notwithstanding the provisions of Section 32 of *An Act Respecting the Special Powers of Legal Persons* (Québec), the Agent and the Attorney may purchase, acquire and be the holder of any bond or debenture issued by the Borrower or any other Obligor. Each of the Obligors hereby acknowledges that any such bond or debenture shall constitute a title of indebtedness, as such term is used in Article 2692 of the *Civil Code of Québec*.

10.16 OTHER PROVISIONS CONCERNING THE AGENT

The provisions of this Article 10 are in addition to the provisions contained in the Provisions regarding the Agent, including without limitation the provisions of Article 7 of the Provisions.

ARTICLE 11
MISCELLANEOUS

11.1 NON-BUSINESS DAYS

If under this Agreement any payment or calculation is to be made, or any other action is to be taken, on or as of a day which is not a Business Day, that payment or calculation is to be made, and that other action is to be taken, as applicable, on or as of the next day that is a Business Day. In the case of any payment falling due on a day which is not a Business Day, interest and fee shall continue to accrue during such extension at the rate per annum then in effect, which accrued amount shall be due and payable on such next Business Day.

11.2 NO WAIVER, CUMULATIVE REMEDIES

No delay or failure on the part of the Agent in the exercise of any power or right shall operate as a waiver thereof or as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. No provision of any Loan Document as to any commercially reasonable manner or process of or in respect of the exercising of any right or remedy shall be construed as meaning that no other manner or process is commercially reasonable. The rights and remedies hereunder of the Agent are cumulative to, and not exclusive of, any rights or remedies which it would otherwise have.

11.3 AMENDMENTS, ETC.

No amendment or waiver of any provision of this Agreement or consent to any departure by a party from any provision of this Agreement will be effective unless it is in writing, and then the amendment, modification, waiver or consent will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given. No notice to or demand on the Borrower or any other Obligor in any case shall entitle the Borrower or any other Obligor to any other or further notice or demand in similar or other circumstances unless otherwise provided for herein.

11.4 ENVIRONMENTAL INDEMNITY

In addition to any other liability of the Obligors hereunder or under any other Loan Document, the Obligors agree to indemnify and save harmless the Indemnitees from and against:

(a) any losses suffered by them for, in connection with, or as a direct or indirect result of, the failure of any Obligor to comply with all Requirements of Environmental Law;

(b) any losses suffered by the Indemnitees for, in connection with, or as a direct or indirect result of, the presence of any Hazardous Material situated in, on or under any Property owned by any Obligor or upon which it carries on business; and

(c) any and all liabilities, losses, damages, penalties, expenses (including reasonable legal fees on a solicitor and his own client basis) and claims which may be paid, incurred or asserted against the Indemnitees for, in connection with, or as a direct or indirect result of, any legal or administrative proceedings with respect to the presence of any Hazardous Material on or under any Property owned by any Obligor or upon which it carries on business, or the discharge, emission, spill, radiation or disposal by any of them of any Hazardous Material into or upon any Property, the atmosphere, or any watercourse or body of water; including, without limitation, the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter and any cost, liability or damage arising out of a settlement entered into by the Indemnitees of any such action or matter.

The obligations of the Obligors under this Section shall survive the termination of this Agreement and payment of all Obligations.

11.5 DOCUMENTARY TAXES

The Borrower agrees to pay on demand any goods and services, sales, consumption, use, documentary, stamp or similar taxes payable in respect of this Agreement or any other Loan Document, including interest and penalties, in the event any such taxes are assessed, irrespective of when such assessment is made and whether or not any credit is then in use or available hereunder.

11.6 SURVIVAL OF REPRESENTATIONS

All representations and warranties made herein or in any of the other Loan Documents or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

11.7 NOTICES

The addresses, telecopier numbers and e-mail addresses of the parties hereto referred to in Article 8 of the Provisions are set forth on the signature pages hereof and may be changed by any party

hereto by way of a written notice to the other parties hereto. Any written notice, request or other communication that is not sent in conformity with Section 8.1 of the Provisions shall nevertheless be effective on the date actually received by the noticed party. The Secured Parties may rely upon any notices purportedly given by or on behalf of an Obligor even if such notices were not made in a manner specified herein, were incomplete or were not confirmed, or if the terms thereof, as understood by the recipient, varied from a later confirmation. The Borrower shall indemnify and hold harmless each Secured Party from any liabilities, losses, costs and expenses arising from any telephonic communication purportedly given by or on behalf of any Obligor, such indemnity to survive payment of the Obligations in full and termination of this Agreement.

11.8 PARAMOUNTCY

Subject to Sections 2.8(c) and 2.9(d), to the extent of any conflict or inconsistency between any provision in this Agreement and any provision in another Loan Document, the provision in this Agreement shall govern.

11.9 HEADINGS

Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

11.10 SEVERABILITY OF PROVISIONS

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

11.11 COUNTERPARTS

This Agreement and the Loan Documents may be executed in any number of counterparts, and by different parties hereto on separate counterpart signature pages, whether by telecopy, by PDF or otherwise, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

11.12 COMPENSATION

If an Event of Default has occurred and is continuing, the Borrower, for itself and its Subsidiaries, hereby authorizes the Agent and the Lenders at any time and from time to time to compensate, set off and apply any and all deposits (general or special, time or demand, provisional or final, due or not due) at any time held by the Agent or the Lenders in the Borrower's or any Subsidiary's name and any and all debts and obligations at any time owing by the Agent or any Lender to or for the credit or account of the Borrower and such Subsidiary, against any or all of the Obligations of the Borrower or such Subsidiary to the Agent or Lenders. The rights of the Agent and the Lenders under this Section 11.12 are in addition to all other rights and remedies (including without limitation, other rights of set-off and combination) that the Agent and the Lenders may have.

11.13 JUDGMENT CURRENCY

If, for the purposes of obtaining judgment in any court in connection with any Loan Document, it is necessary to convert any sum due or owing in any currency (the **"Original Currency**") into another currency (the "**Other Currency**"), the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Agent could purchase the Original Currency with the Other Currency in Montreal, Québec on the Business Day preceding that on which final judgment is granted. The obligations of the Obligors in respect of any sum due in the Original Currency from it to the Secured Parties shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by applicable Secured Party of any sum adjudged to be so due or owing in such Other Currency, the Agent may in accordance with normal banking procedures purchase the Original Currency in Montreal, Québec with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due or owing to the Secured Parties in the Original Currency, the Obligors shall, as a separate obligation and notwithstanding any such judgment, indemnify the Secured Parties against such loss, and if the amount of the Original Currency so purchased exceeds the sum originally due or owing to the Secured Parties in the Original Currency, the Secured Parties shall, unless this Credit has not been terminated, remit such excess to the Obligors to the extent permitted by law. The foregoing indemnity shall survive payment of the Obligations and termination of this Agreement.

11.14 WAIVERS BY OBLIGORS

To the fullest extent permitted by Applicable Laws, each Obligor waives (a) presentment, demand, protest, notice of presentment, default, non-payment, maturity, release, compromise, settlement, extension or renewal of any commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by the Agent or any Lender on which an Obligor may in any way be liable, and hereby ratifies anything the Agent or any Lender may do in this regard; (b) notice prior to taking possession or control of any Collateral; (c) any bond or security that might be required by a court prior to allowing the Agent to exercise any rights or remedies; (d) the benefit of all valuation, appraisement and exemption laws; (e) any claim against Secured Party, on any theory of liability, for special, indirect, consequential, exemplary or punitive damages (as opposed to direct or actual damages) in any way relating to any enforcement action, Obligations, Loan Documents or transactions relating thereto; and (f) notice of acceptance hereof. Each Obligor acknowledges that the foregoing waivers are a material inducement to Agent and Lenders entering into this Agreement and that Agent and Lenders are relying upon the foregoing in their dealings with Obligors.

11.15 ACKNOWLEDGEMENT AND CONSENT TO BAIL-IN OF EEA FINANCIAL INSTITUTIONS

Notwithstanding anything to the contrary in this Agreement or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under this Agreement, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(ii) the effects of any Bail-In Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement; or

(C) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

11.16 TERMINATION OF BENCHMARK RATES

In the event that any of the CDOR Rate or LIBOR ceases to be made available, then the Borrowers and the Agent shall enter into discussions with a view to determining a comparable successor or alternative discount rate in CDollars or interbank rate for deposits in USDollars that is, at such time, broadly accepted as the prevailing market practice for syndicated leveraged loans of this type; provided that, if such alternative rate of interest shall be less than one, such rate shall be deemed to be one for the purposes of this Agreement. Upon the Borrowers and the Agent agreeing on such a rate, the Borrowers and the Lenders party hereto shall enter into documentation to amend the provisions hereof to refer to such rate and make all other adjustments incidental thereto. The parties hereto agree that such amendment shall require the consent of the Majority Lenders.

Until an alternative rate of interest shall be determined in accordance with this Section 11.16, (x) any notice requesting to convert or continue any Loan as a Libor Loan shall be ineffective, and (y) the Borrower may repay or convert any Libor Loan then outstanding in accordance with Section 3.5 of the Provisions, which shall apply *mutatis mutandis*.

11.17 DISCLOSURE OF INFORMATION

The Borrower authorizes and consents to the reproduction, disclosure and use by the Agent and the Lenders of information about the Borrower (including, without limitation, the Borrower's names and any identifying logos) and the Credit Facility (all such information being called the "**Information**"), to enable the Lender to publish promotional "tombstones" and other forms of notices of the financing herein contemplated in any manner and in any media (including, without limitation, brochures). The Borrower acknowledges and agrees that the Agent and the Lenders shall be entitled to determine, in their discretion, whether to use the Information, that no compensation will be payable by the Agent and the Lenders resulting therefrom and that the Agent and the Lenders shall have no liability whatsoever to the Borrower or any of its employees,

officers, directors, affiliates or shareholders in obtaining and using the Information in accordance with this Section 11.17.

11.18 NO NOVATION/CONTINUATION OF EXISTING GUARANTEES AND LIENS

This Agreement amends and restates, without novation, the Amended and Restated Credit Agreement. This Agreement does not constitute a novation of the terms and conditions of or any amounts owing under the Amended and Restated Credit Agreement, or any existing Liens or guarantees in favour of the Agent and the Lenders in connection with the Amended and Restated Credit Agreement, including without limitation the Collateral Documents and the other Loan Documents, and the Agent and the Lenders hereby reserves all of their rights and recourses under the Amended and Restated Credit Agreement, the Colalteral Documents and the other Loan Documents. Nothing set forth in this Agreement shall, except as specifically set forth herein, be construed as altering the obligations of the Obligors under the Amended and Restated Credit Agreement, any Collateral Documents and the other Loan Documents or any existing Liens or guarantees. Each Obligor hereby acknowledges and agrees that the "Obligations" (as defined under the Amended and Restated Credit Agreement), together with any and all additional obligations incurred hereunder or under any of the Loan Documents, shall continue to be secured by all of the pledges, grants of security interests and other Liens provided in connection with the Amended and Restated Credit Agreement, except as specifically provided herein (and, from and after the date hereof, shall be secured by all of the pledges, grants of security interests and other Liens provided in connection with this Agreement), all as more specifically set forth in the Loan Documents. Each Obligor further agrees that all references to the "Credit Agreement" in such any Loan Documents, including the Collateral Documents, shall be deemed to refer to this Agreement.

11.19 STANDARD PROVISIONS

(a) The model credit agreement provisions set forth in Schedule 11.15 form part of this Agreement. For the purposes of Schedule 11.15, the following shall apply:

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

(2) The Province referred to in Sections 11.1 and 11.2 of the Provisions is the Province of Québec.

(b) To the extent that there is any inconsistency between a provision of this Agreement (other than the Provisions) and a provision of the Provisions, the provision of this Agreement (other than the Provisions) shall govern.

11.20 LANGUAGE

The parties hereby confirm their express wish that the present Agreement and all documents and agreements directly and indirectly related thereto, including notices, be drawn up in English. Notwithstanding such express wish, the parties agree that any of such documents, agreements and notices or any part thereof or of this Agreement may be drawn up in French. *Les parties reconnaissent leur volonté expresse que la présente convention ainsi que tous les documents et conventions qui s'y rattachent directement ou indirectement, y compris les avis, soient rédigés en*

langue anglaise. Nonobstant telle volonté expresse, les parties conviennent que n'importe quel desdits documents, conventions et avis ou toute partie de ceux-ci ou de cette convention puissent être rédigés en langue française.

IN WITNESS WHEREOF this Agreement has been executed and delivered as of the date first mentioned above by the parties hereto under the hands of their proper officers duly authorized in that behalf.

111306853:v5

Borrower:

COLABOR GROUP INC.

Per: *(s) Pierre Gagné*
Name: Pierre Gagné
Title: Senior Vice President and Chief Financial Officer

Address for Notices:

[redacted]

[Redacted for confidentiality reasons]

Guarantors :

LES PÊCHERIES NORREF QUÉBEC INC.

Per: *(s) Pierre Gagné*
Name: Pierre Gagné
Title: Senior Vice President and Chief Financial Officer

Address for Notices:

[redacted]

[Redacted for confidentiality reasons]

COLABOR MANAGEMENT INC.

Per: *(s) Pierre Gagné*
Name: Pierre Gagné
Title: Senior Vice President and Chief Financial Officer

Address for Notices:

[redacted]

[Redacted for confidentiality reasons]

2096935 ONTARIO LIMITED

Per: *(s) Pierre Gagné*
Name: Pierre Gagné
Title: Senior Vice President and Chief Financial Officer

Address for Notices:

[redacted]

COLABOR LIMITED PARTNERSHIP, herein acting and represented by Colabor Management Inc., its sole general partner

Per: *(s) Pierre Gagné*
Name: Pierre Gagné
Title: Senior Vice President and Chief Financial Officer

Address for Notices:

[redacted]

[redacted]

[redacted]

[Redacted for confidentiality reasons]

[redacted]

[redacted]

[Redacted for confidentiality reasons]

TRANSPORT PAUL-ÉMILE DUBÉ LTÉE

Per: *(s) Pierre Gagné*
Name: Pierre Gagné
Title: Senior Vice President and Chief Financial Officer

Address for Notices:

[redacted]

[redacted]

[redacted]

[Redacted for confidentiality reasons]

10028045 CANADA INC.

Per: *(s) Pierre Gagné*
Name: Pierre Gagné
Title: Senior Vice President and Chief Financial Officer

Address for Notices:

[redacted]

[redacted]

[redacted]

[Redacted for confidentiality reasons]

BANK OF MONTREAL, in its capacity as Agent

Per: *(s) Guylaine Couture*
Name: Guylaine Couture
Title: Managing Director - Syndication

Per: *(s) Caroline Hallé*
Name: Caroline Hallé
Title: Director

Address for Notices:

[redacted]

and to:

[redacted]

and to:

In the case of all matters to financial reporting, security documentation and credit related matters:

[redacted]

[redacted]

[Redacted for confidentiality reasons]

BANK OF MONTREAL, in its capacity as a Lender

Per: *(s) Caroline Hallé*
Name: Caroline Hallé
Title: Director

Per: *(s) Nicolas Vanier*
Name: Nicolas Vanier
Title: Managing Director

Address for Notices:

[redacted]

[Redacted for confidentiality reasons]

THE TORONTO-DOMINION BANK, in its capacity as a Lender

Per: *(s) Darcy Mack*
Name: Darcy Mack
Title: AVP Credit

Per: *(s) Corey Dufort*
Name: Corey Dufort
Title: Senior Analyst

Address for Notices:

[redacted]

[Redacted for confidentiality reasons]

THE BANK OF NOVA SCOTIA, in its capacity as a Lender

Per: *(s) Andrew Wright*

Name: Andrew Wright
Title: Director

Per: *(s) April Shaddock*

Name: April Shaddock
Title: Group Lead

Address for Notices:

[redacted]

[Redacted for confidentiality reasons]

EXHIBIT A

COMMITMENTS

Commitment	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
BANK OF MONTREAL	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
THE BANK OF NOVA SCOTIA	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
THE TORONTO-DOMINION BANK	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Total	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[Redacted for confidentiality reasons]

EXHIBIT B

FORM OF NOTICE OF EXTENSION OF CREDIT

Date: _____

To: Bank of Montreal, as Agent

Ladies and Gentlemen:

The undersigned Colabor Group Inc. (the "**Borrower**") refers to the second amended and restated credit agreement dated as of May 29, 2020 (as the same may be amended, restated, renewed or replaced from time to time, the "**Credit Agreement**") entered into among, *inter alia*, the Borrower, as borrower, each of the Guarantors identified herein, as guarantors, each of the financial institutions from time to time parties thereto, as lenders, and Bank of Montreal, as Agent. Capitalized terms used but not defined herein have the meaning assigned to such terms in the Credit Agreement.

The Borrower hereby, pursuant to Section 2.5(a) of the Credit Agreement, requests an Extension of Credit as follows:

1. Type of Extension of Credit _____

2. Amount of Extension of Credit _____

3. Date Extension of Credit to be provided _____

4. Duration of Contract Period **[Note: applies to LIBOR Loans and CDOR Loans]** _____

5. Other relevant information (please include additional page(s) if needed) **[Note: applies to LIBOR Loans and CDOR Loans]** _____

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Extension of Credit, immediately after the Extension of Credit and the application of the proceeds therefrom:

(a) no Default or Event of Default shall have occurred and be continuing; and

(b) the representations and warranties of the Obligors contained in the Loan

Documents are true and correct on the date hereof and will be true and correct on the date of such Extension of Credit.

COLABOR GROUP INC.

Per: _____

Name:

Title:

EXHIBIT C

FORM OF NOTICE OF CONVERSION AND ROLLOVER

Date: _____

To: Bank of Montreal, as Agent

Ladies and Gentlemen:

The undersigned Colabor Group Inc. (the "**Borrower**") refers to the second amended and restated credit agreement dated as of May 29, 2020 (as the same may be amended, restated, renewed or replaced from time to time, the "**Credit Agreement**") entered into among, *inter alia*, the Borrower, as borrower, each of the Guarantors identified herein, as guarantors, each of the financial institutions from time to time parties thereto, as lenders, and Bank of Montreal, as Agent. Capitalized terms used but not defined herein have the meaning assigned to such terms in the Credit Agreement. The Borrower hereby notifies you, pursuant to Section 2.6(c) of the Credit Agreement, of the following:

1. Extensions of Credit (or portion thereof) to which notice applies _____

2. Date of Conversion or Rollover _____

3. New type of Extensions of Credit **[if Extensions of Credit are to be converted]** or repayment _____

4. Next succeeding Contract Period and duration thereof **[if Extensions of Credit are converted or rolled over to Libor Loans or CDOR Loans]** _____

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of Rollover or the date of Conversion, as applicable, immediately after the Rollover or Conversion, as applicable, and the application of the proceeds therefrom:

(a) no Default or Event of Default shall have occurred and be continuing; and

(b) the representations and warranties of the Obligors contained in the Loan Documents are true and correct on the date hereof and will be true and correct on the date of such Rollover or Conversion.

COLABOR GROUP INC.

Per: _____
Name:
Title:

EXHIBIT D

FORM OF BORROWING BASE CERTIFICATE

BORROWING BASE CERTIFICATE
GROUPE COLABOR INC.

Report Number:	1	**Total Revolver Authorization:**	$147,000,000
Date Submitted:		**Period From:**	
Period Covered:		**To:**	

COLLATERAL POSITION	**ACCOUNTS RECEIVABLE**	**INVENTORY**	**Total AR/Inv. CAD**
Opening Collateral Balance as of:			
Additions:			
New Sales/Inventory Increase			-
Miscellaneous-Debit in Cash Receipts			-
Other (+/-)			-
Total Gross Additions	-	-	-
Deductions:			
Cash Receipts Posted/Inventory Decrease			-
Other Dilutions:			
Discounts Allowed			-
Credit Memos (Discounts & rebates)			-
General ledger deposits			-
Miscellaneous (bad debt expense)	-		-
Total Gross Deductions	-	-	-
Non A/R Cash (minus)	-		
Closing Collateral Balance as of:	$ -	$ -	-
Less Ineligibles as of:			-
Eligible Collateral	-	-	-
Advance Rate	85.0%	#DIV/0!	
Collateral Availability (AR @85%)	$ -		$ -
Add: 5% on Eligible Investment Grade AR			-
Total Collateral Availability	$ -	$ -	$ -
MINUS:			
Priority Payables Reserve as of			
Rent Reserve (leased locations with no landlord waiver)			
AP to 3rd Party Locations Operators			
Unfunded Pension Liability			
Net Availability			$ -
Loan Limit			147,000,000
Borrowing Availability			$ -

LOANS & ADVANCES STATUS		**CADS Loan**	**US $ Loan**	**Total in CADS**
USD Exch Rate	1.062			
Loan Opening				
Less: Collections from AR				
Less: Non AR Cash receipts		-		-
Additional Requests				-
New Loan O/S				-
Advances:				
Swingline				-
LCs/LGs				-
FEFC/FXA/IRA				-
MasterCard				-
Total Loans & Advances		$ -	$ -	$ -
Excess Availability				$ -

Pursuant to the Terms of the Credit Agreement dated as of _____, 2014 between **Groupe Colabor Inc.** and BMO as Syndicate Agent (the Credit Agreement), we submit this Borrowing Base to you and certify that the information set forth above and on any attachments to this certificate is true and correct.

Borrower: _____ **Date Submitted:** _____

EXHIBIT E

FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate is furnished to Bank of Montreal, as Agent, pursuant to Section 8.5 of the second amended and restated credit agreement dated as of May 29, 2020, entered into among Colabor Group Inc., as borrower, each of the Guarantors identified herein, as guarantors, each of the financial institutions and other entities from time to time parties thereto, as lenders, and Bank of Montreal, as Agent (as such agreement may be amended, restated, renewed or replaced from time to time, the "**Credit Agreement**"). Unless otherwise defined herein, the capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

The undersigned hereby certifies that:

1. I am the duly appointed _____ of Colabor Group Inc.

2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower during the accounting period covered by the attached financial statements.

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below.

4. The financial statements required by Section 8.5 of the Credit Agreement and being furnished to you concurrently with this certificate are, to the best of my knowledge, true, correct and complete, as of the dates and for the periods covered thereby.

5. The attachment hereto sets forth financial data and computations evidencing the Borrower's compliance with the covenant in Section 8.7 of the Credit Agreement, all of which data and computations are, to the best of my knowledge, true, complete and correct, and have been made in accordance with the relevant Sections of the Credit Agreement.

6. Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

   [insert details]

7. Each Obligor is Solvent.

8. **Applicable only for payment or repayment of Permitted Subordinated Indebtedness or Debentures:**

(i) the Borrower is in compliance with the Fixed Charge Coverage Ratio set forth in Section 8.7 on a pro forma basis, both before and after such payment, on a rolling 12-months forward basis; and

(ii) the amount of Excess Availability represents not less than twenty percent (20%) of the Credit Limit during the three (3) months period preceding any payment after giving effect to any proceeds from equity injections used to reduce oustanding advances under the Credit Facility and the proposed dividends and/or principal repayments on a pro forma basis and on a forecasted basis for the 12-months period following the payment of such proposed dividends and/or principal repayments

9. **Applicable only for any redemption, retirement or purchase for value any class or series of shares of the Capital Stock of the Borrower**:

(i) the Borrower is in compliance with the Fixed Charge Coverage Ratio set forth in Section 8.7 on a pro forma basis, both before and after such payment, on a rolling 12-months forward basis; and

(ii) the amount of Excess Availability represents not less than twenty percent (20%) of the Credit Limit during the three (3) months period preceding any payment in respect of such transaction after giving effect to any proceeds from equity injections used to reduce oustanding advances under the Credit Facility and the proposed payment on a pro forma basis and on a forecasted basis for the 12-months period following such payment.

10. **Applicable only for termination of the Borrower's employee benefit pension plan**:

(i) the Borrower is in compliance with the Fixed Charge Coverage Ratio set forth in Section 8.7 on a pro forma basis, both before and after such payment, on a rolling 12-months forward basis. The Fixed Charge Coverage Ratio calculations shall include the amount of the proposed termination repayment as Debt; and

(ii) the amount of Excess Availability represents not less than twenty percent (20%) of the Credit Limit during the three (3) months period preceding any payment and the proposed payment on a pro forma basis and on a forecasted basis for the 12-months period following the payment of such proposed payment

11. All property of each Obligor is free and clear of all Liens other than Permitted Liens.

The foregoing certifications, together with the computations set forth in the attachment hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____, _____.

COLABOR GROUP INC.

Per: _____
Name:
Title:

ATTACHMENT TO COMPLIANCE CERTIFICATE

COLABOR GROUP INC.

Compliance Calculations for Credit Agreement
Dated as of _____, ____
Calculations as of _____, ____

Fixed Charge Coverage Ratio (Section 8.7)

1.	EBITDA as detailed in Schedule I	$_____ A1
2.	Cash income taxes paid	$_____ A2
3.	Dividends paid	$_____ A3
4.	Unfinanced capital expenditures	$_____ A4
5.	Redemption, Retirement or Purchase of Capital Stock	$_____ A5
6.	Add Lines A2, A3, A4 and A5	$_____ A6
7.	Subtract Line A6 from Line A1	$_____ A7
8.	Interest Expense	$_____ A8
9.	Scheduled principal repayments of long term debt	$_____ A9
10.	Principal repayments on the Permitted Subordinated Indebtedness	$_____ A10
11.	Add Lines A8, A9 and A10	$_____ A11
12.	Ratio of Lines A7 to A11	: 1.0 A12
Line A12 ratio must not be less than		1.0 : 1.0

EXHIBIT F

FORM OF NOTICE OF OPTIONAL PREPAYMENT

Date: _____

To: Bank of Montreal, as Agent

Ladies and Gentlemen:

The undersigned Colabor Group Inc. (the "**Borrower**") refers to the second amended and restated credit agreement dated as of May 29, 2020 (as the same may be amended, restated, renewed or replaced from time to time, the "**Credit Agreement**") entered into among, *inter alia*, the Borrower, as borrower, each of the Guarantors identified therein, as guarantors, each of the financial institutions from time to time parties thereto, as lenders, and Bank of Montreal, as Agent. Capitalized terms used but not defined herein have the meaning assigned to such terms in the Credit Agreement.

The Borrower hereby gives you notice, pursuant to Section 4.4 of the Credit Agreement, that the Borrower shall make an optional prepayment under the Credit Facility on _____, 20___ in the aggregate amount of $_____ **[and/or]** US$_____ to the Agent, for and on behalf of the Lenders.

This notice is irrevocable.

COLABOR GROUP INC.

Per: _____
Name:
Title:

EXHIBIT G

FISCAL MONTH OF OBLIGORS

[Redacted for confidentiality reasons]

SCHEDULE 5.1
EXISTING COLLATERAL DOCUMENTS

Colabor Group Inc.

- a Notice of Intention to Give Security under Section 427 of the Bank Act by the Borrower if favour of BMO dated January 22, 2014 and registered under number 01289872;
- an Application for Credit and Promise to Give Security under Section 427 of the Bank Act by the Borrower in favour of BMO dated January 24, 2014;
- a Security under Section 427 of the Bank Act by the Borrower in favour of BMO dated January 24, 2014;
- an Agreement as to Loans and Advances and Security therefor by the Borrower in favour of BMO dated January 24, 2014
- a Notice of Intention to Give Security under Section 427 of the Bank Act by the Borrower if favour of The Toronto-Dominion Bank ("**TD**") dated January 23, 2014 and registered under number 01289874;
- an Application for Credit and Promise to Give Security under Section 427 of the Bank Act by the Borrower in favour of TD dated January 24, 2014;
- a Security under Section 427 of the Bank Act by the Borrower in favour of TD dated January 24, 2014;
- an Agreement as to Loans and Advances and Security therefor by the Borrower in favour of TD dated January 24, 2014;
- a Deed of Hypothec and Issue of Mortgage Bonds granted by the Borrower in favour of the Agent, as *fondé de pouvoir* as of January 22, 2014, registered at the Register of Personal and Movable Real Rights ("**RPMRR**") under number 14-0049402-0002;
- a Hypothec and Pledge of Bonds granted by the Borrower in favour of the Agent and the Lenders as of January 22, 2014, registered at the RPMRR under number 14-0049402-0001;
- an Assignment of Monies for Insurance Proceeds granted by the Borrower in favour of the Agent as of January 31, 2014;
- a General Security Agreement granted by Management in favour of the Agent as of January 22, 2014, registered at the Ontario PPSA under number 20140122150118623957 and at the New Brunswick PPSA under number 23961162;
- a Notice of Intention to Give Security under Section 427 of the Bank Act by the Borrower if favour of BMO dated October 5, 2016 and registered under number 01308477;
- an Application for Credit and Promise to Give Security under Section 427 of the Bank Act by the Borrower in favour of BMO dated October 13, 2016;
- a Security under Section 427 of the Bank Act by the Borrower in favour of BMO dated October 13, 2016;
- an Agreement as to Loans and Advances and Security therefor by the Borrower in favour of BMO dated October 13, 2016;

- a Notice of Intention to Give Security under Section 427 of the Bank Act by the Borrower if favour of TD dated October 5, 2016 and registered under number 01308478;
- an Application for Credit and Promise to Give Security under Section 427 of the Bank Act by the Borrower in favour of TD dated October 13, 2016;
- a Security under Section 427 of the Bank Act by the Borrower in favour of TD dated October 13, 2016;
- an Agreement as to Loans and Advances and Security therefor by the Borrower in favour of TD dated October 13, 2016;

Les Pêcheries Norref Québec Inc.

- a Guarantee Agreement granted by Les Pêcheries Norref Québec Inc. ("**Norref**") as of January 22, 2014;
- a Deed of hypothec granted by Norref in favour of the Agent, as *fondé de pouvoir* as of January 22, 2014, registered at the RPMRR under number 14-0049402-0006;

Colabor Management Inc.

- a Guarantee Agreement granted by Colabor Management Inc. ("**Management**") as of January 22, 2014;
- a Deed of hypothec granted by Management in favour of the Agent, as *fondé de pouvoir* as of January 22, 2014, registered at the RPMRR under number 14-0049402-0005;
- a General Security Agreement granted by Management in favour of the Agent as of January 22, 2014, registered at the Ontario PPSA under number 20140122150118623959;

Colabor Limited Partnership

- a Guarantee Agreement granted by Colabor Limited Partnership ("**LP**") as of January 22, 2014;
- a Deed of hypothec granted by LP in favour of the Agent, as *fondé de pouvoir* as of January 22, 2014, registered at the RPMRR under number 14-0049402-0004;
- a General Security Agreement granted by LP in favour of the Agent as of January 22, 2014, registered at the Ontario PPSA under number 20140122150118623956;

2096935 Ontario Limited

- a Guarantee Agreement granted by 2096935 Ontario Limited ("**2096935**") as of January 22, 2014;
- a General Security Agreement granted by 2096935 in favour of the Agent as of January 22, 2014, registered at the Ontario PPSA under number 20140122150118623958;

Transport Paul-Émile Dubé Ltée

- a Guarantee Agreement granted by Transport Paul-Émile Dubé Ltée ("**Transport**") as of January 22, 2014;
- a Deed of hypothec granted by Transport in favour of the Agent, as *fondé de pouvoir* as of January 22, 2014, registered at the RPMRR under number 14-0049402-0003.

10028045 Canada Inc.

- a Guarantee Agreement granted by 10028045 Canada Inc. ("**1002804**5") as of September 29, 2017;
- a Deed of hypothec granted by 10028045 in favour of the Agent, as *fondé de pouvoir* as of September 29, 2017, registered at the RPMRR under number 17-1043151-0001.

SCHEDULE 6.1

LOCATIONS AND TRADE NAMES

[Redacted for confidentiality reasons]

SCHEDULE 6.2

SUBSIDIARIES

[Redacted for confidentiality reasons]

SCHEDULE 6.8

PENDING LITIGATION AND OTHER CONTROVERSIES

None

SCHEDULE 6.10

EMPLOYEE MATTERS

[Redacted for confidentiality reasons]

SCHEDULE 6.22

INTELLECTUAL PROPERTY

[Redacted for confidentiality reasons]

SCHEDULE 8.9

PERMITTED LIENS

[Redacted for confidentiality reasons]

SCHEDULE 8.34

POST CLOSING MATTERS

[Redacted for confidentiality reasons]

SCHEDULE 11.15

MODEL CREDIT AGREEMENT PROVISIONS

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

1. Section 1 is amended by deleting the definition of Assignment and Assumption in its entirety and replacing it as follows:

   "**Assignment and Assumption**" means Assignment Agreement, as defined in the Agreement.

2. Section 1 is amended by adding the following:

   "bankers' acceptance" means BA, as defined in the Agreement.

3. The definition of "Default" in Section 1 is deleted

4. The application of Article 5 is limited by the provisions of Sections 2.3(h) and 2.8(k) of the Agreement.

5. Article 7 is subject to amendment in accordance with the provisions of Section 10.9 of the Agreement.

6. Article 7 is supplemented by Sections 10.5 and 10.6 of the Agreement, and in the case of any inconsistency between the provisions of Section 10.5 and 10.6 of the Agreement and the provisions of Article 7, the provisions of Sections 10.5 and 10.6 shall prevail to the extent of such inconsistency.

7. The following is added at the end of Section 7.8:

   Execution and delivery to the Agent by a Lender of a counterpart of the Agreement or by an Assignment Agreement shall be deemed confirmation by such Lender that (i) all conditions precedent in Sections 7.1, 7.2 and 7.3 of the Agreement have been fulfilled to the satisfaction of such Lender, (ii) the decision of such Lender to execute and deliver to the Agent an executed counterpart of the Agreement or to execute an Assignment Agreement was made by such Lender independently and without reliance on the Agent or any other Lender as to the satisfaction of any condition precedent set forth in Sections 7.1, 7.2 and 7.3 of the Agreement, and (iii) all documents sent to such Lender for approval, consent, or satisfaction were acceptable to such Lender.

8. In section 10.2(a), the amount of "$5,000,000" shall be replaced by the amount of "$10,000,000".

9. Section 10 shall be amended by adding the following as Section 10.2(f):

10. any assignment must be approved by the L/C Lender and by BMO as Lead Swap Arranger and provider of MasterCard advances.

11. Any reference in the Provisions to "jointly and severally" and "severally" shall be replaced, respectively, by the words "solidarily" and "jointly".

MODEL CREDIT AGREEMENT PROVISIONS

1. Definitions

"**Administrative Questionnaire**" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

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

"**Agreement**" means the credit agreement of which these Provisions form part.

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

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

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

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

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

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

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

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

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

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

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

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

a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

"**Indemnified Taxes**" means Taxes other than Excluded Taxes.

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

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

"**Obligors**" means, collectively, the Borrower and each of the guarantors of the Borrower's obligations that are identified elsewhere in this Agreement.

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

"**Participant**" has the meaning assigned to such term in Section 10.4.

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

"**Provisions**" means these model credit agreement provisions.

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

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

2. Terms Generally

2.1 The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein (including this Agreement) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise

modified (subject to any restrictions on such amendments, supplements, restatements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) unless otherwise expressly stated, all references in these Provisions to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, these Provisions, but all such references elsewhere in this Agreement shall be construed to refer to this Agreement apart from these Provisions, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

2.2 If there is any conflict or inconsistency between these Provisions and the other terms of this Agreement, the other terms of this Agreement shall govern to the extent necessary to resolve the conflict or inconsistency.

3. Yield Protection

3.1 Increased Costs

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

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 3.2 and the imposition, or any change in the rate, of any Excluded Tax payable by such Lender; or

(iii) impose on any Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to

participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or any other amount), then upon request of such Lender the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or the Letters of Credit issued or participated in by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of its holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

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

3.2 Taxes

(a) Payments Subject to Taxes. If any Obligor, the Administrative Agent, or any Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of an Obligor hereunder or under any other Loan Document, then (i) the sum payable shall be increased by that Obligor when

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

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Obligor shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall, at the request of the Borrower, deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In

addition, (a) any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to withholding or information reporting requirements, and (b) any Lender that ceases to be, or to be deemed to be, resident in Canada for purposes of Part XIII of the *Income Tax Act* (Canada) or any successor provision thereto shall within five days thereof notify the Borrower and the Administrative Agent in writing.

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

3.3 Mitigation Obligations: Replacement of Lenders

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.1, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.2, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce

amounts payable pursuant to Section 3.1 or 3.2, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.1, if (b)the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.2, if any Lender's obligations are suspended pursuant to Section 3.4 or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon 10 days' notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10), all of its interests, rights and obligations under this Agreement and the related other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(i) the Borrower pays the Administrative Agent the assignment fee specified in Section 10.2(f);

(ii) the assigning Lender receives payment of an amount equal to the outstanding principal of its Loans and participations in disbursements under Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 3.1 or payments required to be made pursuant to Section 3.2, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with Applicable Law.

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

3.4 Illegality

If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its Applicable Lending Office to make or maintain any Loan (or to maintain its obligation to make any Loan), or to participate in, issue or maintain any Letter of Credit (or to maintain its obligation to participate in or to issue any Letter of Credit), or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if conversion would avoid the activity that is unlawful, convert any Loans, or take any necessary steps with respect to any Letter of Credit in order to avoid the activity that is unlawful. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

3.5 Inability to Determine Rates Etc.

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

4. Right of Setoff

If an Event of Default has occurred and is continuing, each of the Lenders and each of their respective Affiliates is hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender

or any such Affiliate to or for the credit or the account of any Obligor against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender has made any demand under this Agreement or any other Loan Document and although such obligations of the Obligor may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each the Lenders and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff, consolidation of accounts and bankers' lien) that the Lenders or their respective Affiliates may have. Each Lender agrees to promptly notify the Borrower and the Administrative Agent after any such setoff and application, but the failure to give such notice shall not affect the validity of such setoff and application. If any Affiliate of a Lender exercises any rights under this Section 4, it shall share the benefit received in accordance with Section 5 as if the benefit had been received by the Lender of which it is an Affiliate.

5. Sharing of Payments by Lenders

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

5.1 if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest,

5.2 the provisions of this Section shall not be construed to apply to (x) any payment made by any Obligor pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in disbursements under Letters of Credit to any assignee or participant, other than to any Obligor or any Affiliate of an Obligor (as to which the provisions of this Section shall apply); and

5.3 the provisions of this Section shall not be construed to apply to (w) any payment made while no Event of Default has occurred and is continuing in respect of obligations of the Borrower to such Lender that do not arise under or in connection with the Loan Documents, (x) any payment made in respect of an obligation that is secured by a Permitted Lien or that is otherwise entitled to priority over the Borrower's obligations under or in connection with the Loan Documents, (y) any reduction arising from an amount owing to an Obligor upon the termination of derivatives entered into between the Obligor and such Lender, or (z) any payment

to which such Lender is entitled as a result of any form of credit protection obtained by such Lender.

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

6. Administrative Agent's Clawback

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

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

at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation.

7. Agency

7.1 Appointment and Authority. Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Person identified elsewhere in this Agreement as the Administrative Agent to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Bank, and no Obligor shall have rights as a third party beneficiary of any of such provisions.

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

7.3 Exculpatory Provisions

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents), but the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as is necessary, or as the Administrative Agent believes in good faith is necessary, under the provisions of the Loan Documents) or (ii) in the absence of its own gross negligence or wilful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing the Default is given to the Administrative Agent by the Borrower or a Lender.

(c) Except as otherwise expressly specified in this Agreement, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition specified in this Agreement, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

7.4 Reliance by Administrative Agent

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

be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

7.5 Indemnification of Administrative Agent

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

7.6 Delegation of Duties

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

7.7 Replacement of Administrative Agent

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

(b) If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications specified in Section 7.7(a), provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in the preceding paragraph.

(c) Upon a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former Administrative Agent, and the former Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided in the preceding paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the termination of the service of the former Administrative Agent, the provisions of this Section 7 and of Section 9 shall continue in effect for the benefit of such former Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the former Administrative Agent was acting as Administrative Agent.

7.8 Non-Reliance on Administrative Agent and Other Lenders

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

7.9 Collective Action of the Lenders

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

7.10 No Other Duties. etc.

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

8. Notices: Effectiveness; Electronic Communication

8.1 Notices Generally

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

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

8.2 Electronic Communications

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

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

8.3 Change of Address, Etc.

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

9. Expenses; Indemnity: Damage Waiver

9.1 Costs and Expenses

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

9.2 Indemnification by the Borrower

The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Obligor arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by any Obligor, or any Environmental Liability related in any way to any Obligor, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by an Obligor and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Obligor against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Obligor has obtained a final and non-appealable judgment in its favour on such claim as determined by a court of competent jurisdiction, nor shall it be available in respect of matters specifically addressed in Sections 3.1, 3.2 and 9.1.

9.3 Reimbursement by Lenders

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

9.4 Waiver of Consequential Damages, Etc.

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

9.5 Payments

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

10. Successors and Assigns

10.1 Successors and Assigns Generally

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

10.2 Assignments by Lenders

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

(a) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund

with respect to a Lender, the aggregate amount of the Commitment being assigned (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000, in the case of any assignment in respect of a revolving facility, or $1,000,000, in the case of any assignment in respect of a term facility, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consent to a lower amount (each such consent not to be unreasonably withheld or delayed);

(b) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (b) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate credits on a non-pro rata basis;

(c) any assignment of a Commitment relating to a credit under which Letters of Credit may be issued must be approved by any Issuing Bank (such approval not to be unreasonably withheld or delayed) unless the Person that is the proposed assignee is itself already a Lender with a Commitment under that credit;

(d) any assignment must be approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed) unless:

(i) in the case of an assignment of a Commitment relating to a revolving credit, the proposed assignee is itself already a Lender with the same type of Commitment,

(ii) no Event of Default has occurred and is continuing, and the assignment is of a Commitment relating to a non-revolving credit that is fully advanced, or

(iii) the proposed assignee is a bank whose senior, unsecured, non-credit enhanced, long term debt is rated at least A3, A- or A low by at least two of Moody's Investor Services Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Dominion Bond Rating Service Limited, respectively;

(e) any assignment must be approved by the Borrower (such approval not to be unreasonably withheld or delayed) unless the proposed assignee is itself

already a Lender with the same type of Commitment or a Default has occurred and is continuing; and

(f) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in an amount specified elsewhere in this Agreement and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

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

10.3 Register

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

10.4 Participations

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

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

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

10.5 Limitations upon Participant Rights

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

10.6 Certain Pledges

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

11. Governing Law: Jurisdiction: Etc.

11.1 Governing Law

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

11.2 Submission to Jurisdiction

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

to this Agreement or any other Loan Document against any Obligor or its properties in the courts of any jurisdiction.

11.3 Waiver of Venue

Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 11.2. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

12. Waiver of Jury Trial

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

13. Counterparts: Integration: Effectiveness: Electronic Execution

13.1 Counterparts, Integration: Effectiveness

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

13.2 Electronic Execution of Assignments

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

14. Treatment of Certain Information: Confidentiality

14.1 Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap, derivative, credit-linked note or similar transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent or any Lender on a non-confidential basis from a source other than an Obligor.

14.2 For purposes of this Section, "**Information**" means all information received in connection with this Agreement from any Obligor relating to any Obligor or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the

facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers.

14.3 In addition, and notwithstanding anything herein to the contrary, the Administrative Agent may provide the information described on Exhibit B concerning the Borrower and the credit facilities established herein to Loan Pricing Corporation and/or other recognized trade publishers of information for general circulation in the loan market.

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

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

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

1. Assignor: _____

2. Assignee: _____

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

3. Borrower(s): _____

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

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

6. Assigned Interest:

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

[7. Trade Date: _____]

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

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

ASSIGNOR
[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and] Accepted:

[NAME OF ADMINISTRATIVE AGENT], as Administrative Agent

By _____

Title:

[Consented to:]

[NAME OF RELEVANT PARTY]

By _____

Title:

ANNEX 1 to Assignment and Assumption

[_____]

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section ___ thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the

obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments

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

3. General Provisions

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

EXHIBIT B

LOAN MARKET DATA TEMPLATE

Recommended Data Fields - At Close

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

Company Level
Issuer Name
Location
SIC (Cdn)
Identification Number(s)
Revenue

Measurement of Risk*
- **S&P Sr. Debt**
- **S&P Issuer**
- **Moody's Sr. Debt**
- **Moody's Issuer**
- **Fitch Sr. Debt**
- **Fitch Issuer**
- S&P Implied (internal assessment)
- **DBRS**

Other Ratings
*Industry Classification
- Moody's Industry
- S&P Industry

Parent

Financial Ratios

Deal Specific
Currency/Amount
Date
Purpose
Sponsor
Financial Covenants

Target Company
Assignment Language
Law Firms
MAC Clause
Springing lien
Cash Dominion
Mandatory Prepays
Restrc'd Payments (Neg Covs)
Other Restrictions

Facility Specific
Currency/Amount
Type
Purpose
Tenor
Term Out Option
Expiration Date
Facility Signing Date
Pricing
- **Base Rate(s)/Spread(s)/BA/LIBOR**
- **Initial Pricing Level**
- **Pricing Grid (tied to, levels)**
- **Grid Effective Date**

Fees
- **Participation Fee (tiered also)**
- **Commitment Fee**

Annual Fee
- **Utilization Fee**
- **LC Fee(s)**
- **BA Fee**

Other Fees to Market

- Security
- **Secured/Unsecured**
- Collateral and Seniority of Claim
- Collateral Value

Guarantors
Lenders Names/Titles
Lender Commitment(s)
Committed/Uncommitted
Distribution method
Amortization Schedule
Borrowing Base/Advance Rates
New Money Amount

Country of Syndication
Facility Rating (Loss given default)
S&P Bank Loan
Moody's Bank Loan
Fitch Bank Loan
DBRS
Other Ratings

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