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**SECOND AMENDED AND RESTATED CREDIT AGREEMENT**

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among

**FLINT CORP.**

as Borrower

and

**FLINT GP INC., FLINT ENERGY SERVICES LIMITED PARTNERSHIP, CLEARWATER ENERGY SERVICES GP INC., CLEARWATER ENERGY SERVICES LP, FLINT ASSET GP LTD., FLINT REAL ESTATE LP and FLINT EQUIPMENT LP**

as Guarantors and Loan Parties

and

**THE TORONTO-DOMINION BANK**

as Lender

DATED as of September 23, 2025

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## **SECOND AMENDED AND RESTATED CREDIT AGREEMENT**

**SECOND AMENDED AND RESTATED CREDIT AGREEMENT** dated as of September 23, 2025, among **FLINT CORP.**, a corporation existing under the laws of the Province of Alberta (including its successors and assigns, the “Borrower”), as borrower, each of **FLINT GP INC.**, a corporation existing under the laws of the Province of Alberta (including its successors and assigns), **FLINT ENERGY SERVICES LIMITED PARTNERSHIP**, a limited partnership existing under the laws of the Province of Alberta (including its successors and assigns), **FLINT ASSET GP LTD.**, a corporation existing under the laws of the Province of Alberta (including its successors and assigns), **FLINT EQUIPMENT LP**, a limited partnership existing under the laws of the Province of Alberta (including its successors and assigns), **FLINT REAL ESTATE LP**, a limited partnership existing under the laws of the Province of Alberta (including its successors and assigns), **CLEARWATER ENERGY SERVICES GP INC.**, a corporation existing under the laws of the Province of Alberta (including its successors and assigns), **CLEARWATER ENERGY SERVICES LP**, a limited partnership existing under the laws of the Province of Alberta (including its successors and assigns), as guarantors, and **THE TORONTO-DOMINION BANK** (including its successors and assigns, the “Lender”), as lender.

### **RECITALS**

**WHEREAS**, the Borrower, as borrower, and the Lender, as lender, entered into an amended and restated credit agreement dated November 10, 2023, as amended by a first amendment to credit agreement dated May 31, 2024, pursuant to which the Lender agreed to provide, and has provided, certain loans, advances and other financial accommodations to the Borrower in order to refinance certain existing senior secured indebtedness and to provide for working capital and general corporate purposes (collectively, the “**Original Credit Agreement**”);

**AND WHEREAS** the Borrower has requested and the Lender has agreed to make certain amendments to the terms of the Original Credit Agreement, including to reflect the recent Change of Control through the 2025 Recapitalization, and to do so by way of an amendment and restatement of the Original Credit Agreement reflecting such amendments;

### **AGREEMENT**

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

#### **1. DEFINITIONS AND INTERPRETATION**

(a) **General Definitions.**

The following terms have the following meanings when used herein (including in the Recital above):

“**2025 Recapitalization**” means the recapitalization transaction implemented by the Borrower by way of a plan of arrangement under the *Business Corporations Act* (Alberta) pursuant to which, among other things, all preferred shares and the Senior Secured Debentures held by Canso were cancelled and converted to Equity Interests in the Borrower in the form of common shares, resulting in a Change of Control and the extinguishment of all of the debt secured by the Senior Secured Debentures (together with all interest accrued from and after June 30, 2025) and the extinguishment of all entitlements

to accrued and unpaid dividends under the Borrower's issued and outstanding series 1 and series 2 cumulative redeemable convertible preferred shares of the Borrower. For the purpose of this definition, "Senior Secured Debentures" shall mean the 8.0% senior secured debentures issued pursuant to that certain Senior Secured Trust Indenture dated March 23, 2016, as amended and supplemented from time to time.

"Account", "Chattel Paper", "Document of Title", "Equipment", "Futures Account", "Futures Intermediary", "Intangible", "Goods", "Instrument", "Investment Property", "Securities Account", "Securities Intermediary" shall have the respective meanings assigned to such terms without initial capitals, as of the date of this Agreement, in the PPSA or the STA, as applicable.

"Account Debtor" shall mean, in respect of any Account, the debtor obligated to make payment thereof.

"Acquisition" shall mean any transaction or series of related transactions by means of a take-over bid (as such term is defined in the *Securities Act* (Alberta)), tender offer, amalgamation, merger, purchase of property or assets or otherwise, for the purpose of or resulting, directly or indirectly, in: (a) the acquisition of all or substantially all of the assets of a Person, or of all or substantially all of any business or division of a Person; (b) the acquisition of all of the outstanding Equity Interests (including the acquisition or termination of any rights, warrants or options to acquire the Equity Interests) of any Person, or otherwise causing any Person to become a Subsidiary; (c) a merger or consolidation or any other combination with another Person; (d) the acquisition of Control of a Person; or (e) the acquisition of more than 50% of the ownership or economic interests in any Person engaged in any business that is not managed by a board of directors or other governing body.

"Additional Compensation" shall have the meaning ascribed thereto in subsection 3(l)(i).

"Adjusted Daily Compounded CORRA" means for purposes of any calculation, the rate per annum equal to (a) Daily Compounded CORRA for such calculation plus (b) 0.29547%; provided that if Adjusted Daily Compounded CORRA as so determined shall be less than the Floor, then Adjusted Daily Compounded CORRA shall be deemed to be the Floor.

"Adjusted Term CORRA" means, for purposes of any calculation, the rate per annum equal to (a) Term CORRA for such calculation plus (b) 0.29547% for a Term CORRA Borrowing with an Interest Period of one month's duration or 0.32138% for a Term CORRA Borrowing with an Interest Period of three month's duration; provided that if Adjusted Term CORRA as so determined shall ever be less than the Floor, then Adjusted Term CORRA shall be deemed to be the Floor.

"Affiliate" shall mean, with respect to any 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.

"Affiliated Account Debtors" means, with respect to any Account Debtor, any other Account Debtor who controls, is controlled by, or is under common control with, such Account Debtor. For purposes of this definition, the meaning of "control" (including, with correlative meanings, "controlled by" and "under common control with") is limited to the direct or indirect legal or beneficial ownership of more than ten percent (10%) of the ownership of Equity Interests of an Account Debtor or an Affiliated Account Debtor.

"Agreement" shall mean this Credit Agreement, including all schedules and exhibits hereto, as it may be amended, supplemented, extended or restated from time to time.

“AML Legislation” shall have the meaning ascribed thereto in subsection 15(o) hereof.

“Anti-Terrorism Laws” shall mean any laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such laws, all as amended, supplemented or replaced from time to time.

“Applicable Law” shall mean, in respect of a Person, property, transaction, event or other matter, as applicable, all present or future Laws relating or applicable to that Person, property, transaction, event or other matter, including any interpretation of Law by any Governmental Authority.

“Applicable Margin” shall mean, with respect to any Loan or Borrowing from and including the Closing Date, the percentage rate per annum determined in accordance with the pricing grid set forth immediately below, by reference to the applicable Type of Loan:

|  |  |
|--|--|
| <b>For Prime Rate Loans, Prime Rate, plus:</b> | <b>For Term CORRA Loans and Daily Compounded CORRA Loans, Adjusted Term CORRA and Adjusted Daily Compounded CORRA, respectively, plus:</b> |
| <b>[amount redacted]%</b>                      | <b>[amount redacted]%</b>  |

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to subsection 4(e)(iv).

“Authorized Officer” shall mean in respect of the Borrower, each person whose name appears on Schedule A hereto (as updated from time to time by the Borrower by written notice to the Lender).

“BDC” shall mean Business Development Bank of Canada.

“BDC Borrowers” means Flint Real Estate LP and Flint Asset GP Ltd.

“BDC Indebtedness” shall mean, collectively, any and all indebtedness owing from time to time by the BDC Borrowers to BDC in respect of the BDC Term Loan.

“BDC Loan Agreement” shall mean the letter of offer dated as of December 31, 2020 between BDC, as lender, and the BDC Borrowers, as co-borrowers, respecting Loan Account No. 205219-01, as amended by an amendment to letter of offer dated December 7, 2022, as further amended, modified or supplemented as of the date hereof, and as may be further amended, supplemented, extended or restated from time to time.

“BDC Term Loan” shall mean the Thirteen Million Three Hundred Sixty Five Thousand Canadian Dollars (Cdn. \$13,365,000) term loan advanced by BDC to the BDC Borrowers under the BDC Loan Agreement.

“Benchmark” means, initially, the Term CORRA Reference Rate or Daily Compounded CORRA, as the case may be; provided that if a Benchmark Transition Event has occurred with respect to the Term CORRA Reference Rate, Daily Compounded CORRA, or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to subsection 4(e)(i).

“Benchmark Replacement” means, with respect to any Benchmark Transition Event,

(a) where a Benchmark Transition Event has occurred with respect to Term CORRA Reference Rate, Daily Compounded CORRA; and,

(b) where a Benchmark Transition Event has occurred with respect to a Benchmark other than the Term CORRA Reference Rate, the sum of: (i) the alternate benchmark rate that has been selected by the Lender and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Canadian Dollar-denominated bi-lateral credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Lender and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Canadian Dollar-denominated bi-lateral credit facilities at such time.

“Benchmark Replacement Date” means a date and time determined by the Lender, which date shall be no later than the earliest to occur of the following events with respect to the then-current Benchmark:

- (i) in the case of clause (i) or (ii) of the definition of “Benchmark Transition Event,” the later of (A) the date of the public statement or publication of information referenced therein and (B) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or
- (ii) in the case of clause (iii) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the

calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (iii) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (i) or (ii) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (i) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Bank of Canada, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means, the period (if any) (i) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with

subsection 4(e) and (ii) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with subsection 4(e).

“Blocked Account” shall have the meaning ascribed thereto in subsection 6(a) hereof.

“Blocked Account Agreement” shall mean a bank agency or similar agreement with the Lender, the Loan Parties and any financial institution with which the Loan Parties maintain a Blocked Account, Lock Box, depository or other account, in form and substance satisfactory to the Lender, in order to effect the cash management arrangements contemplated by this Agreement with respect to such Blocked Account, Lock Box, depository or other account.

“Borrower” shall have the meaning ascribed thereto in the Preamble hereof.

“Borrowing” shall mean a borrowing or advance of credit hereunder consisting of any loans made to the Borrower by the Lender including, without limitation, borrowings by way of Prime Rate Loans, Term CORRA Loans and Daily Compounded CORRA Loans or the issuance of a Letter of Credit by the Lender, and any reference relating to the amount of Borrowings shall mean, whether as a result of any Borrowing, deemed Borrowing, Conversion or Rollover, as applicable, the sum of the principal amount of all outstanding Prime Rate Loans, Term CORRA Loans and Daily Compounded CORRA Loans plus the maximum amount payable under outstanding Letters of Credit.

“Borrowing Base” shall mean at any time the lesser of the amounts then calculated as specified in subsections 2(b)(i) and (ii) hereof.

“Borrowing Base Certificate” shall have the meaning ascribed thereto in subsection 7(b) hereof.

“Business Day” shall mean a day on which commercial banks are open for business in the city of Toronto, Ontario, or the city of Calgary, Alberta but does not in any event include a Saturday or a Sunday.

“Canadian Dollars” or “Cdn. \$” shall mean the lawful currency of Canada.

“Canadian Economic Sanctions and Export Control Laws” shall mean any Canadian Laws, regulations or orders governing transactions in controlled goods or technologies or dealings with countries, entities, organizations, or individuals subject to economic sanctions and similar measures, including the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), the *Freezing Assets of Corrupt Foreign Officials Act, Part II.1* of the *Criminal Code* (Canada), *Justice for Victims of Foreign Corrupt Officials Act* (Sergei Magnitsky Law) and the *Export and Import Permits Act* (Canada), and any related regulations.

“Canadian Sanctioned Person” shall mean any Person that is a “**designated person**”, “**politically exposed foreign person**” or “**terrorist group**” as described in any Canadian Economic Sanctions and Export Control Laws.

“Canso” shall mean Canso Investment Counsel, Ltd., including its successors and assigns.

“Capital Adequacy Charge” shall have the meaning ascribed thereto in subsection 3(g).

“Capital Adequacy Demand” shall have the meaning ascribed thereto in subsection 3(g).

“Capital Expenditures” shall mean, with respect to any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including expenditures for capitalized lease obligations) by the Loan Parties, on a consolidated basis, during such period that are required by GAAP to be included in or reflected by the property, plant or equipment or similar fixed asset accounts (or in intangible accounts subject to amortization) in the balance sheet of the Loan Parties on a consolidated basis.

“Capitalization” shall mean, Total Funded Debt plus the total Equity Interests held in the Borrower.

“Cash Dominion Trigger Event” shall mean the occurrence of (i) an Event of Default that is continuing and has not been cured by the Borrower or waived by the Lender; and/or (ii) Excess Availability falls below the greater of: (A) [redacted]% of the Line Cap, or (B) \$ [redacted] for [redacted] consecutive Business Days, provided that a Cash Dominion Trigger Event shall terminate at such time as (A) in the case of a Cash Dominion Trigger Event described in paragraph (i), such Event of Default is cured by the Borrower and shall no longer be continuing or is otherwise waived by the Lender; and (B) in the case of a Cash Dominion Trigger Event described in paragraph (ii), Excess Availability has been greater than [redacted] % of the Line Cap or \$ [redacted] for a period of [redacted] consecutive days, as applicable.

“Change of Control” shall mean the occurrence of any transaction, circumstance or event whereby:

- (i) any Person, or group of Persons acting jointly or in concert, other than Canso (following the 2025 Recapitalization), acquire voting control or direction over 25% or more of the votes attaching to the Equity Interests of the Borrower (on a fully diluted basis after giving effect to the conversion or exchange of securities convertible into, exchangeable for, or otherwise carrying the right to acquire Equity Interests); or
- (ii) except to the extent otherwise permitted pursuant to the terms of this Agreement, the Borrower or any other Loan Party ceases to, directly or indirectly, Control their Subsidiaries; or
- (iii) except to the extent otherwise permitted pursuant to the terms of this Agreement, the Borrower or any other Loan Party (A) consolidates, amalgamates or merges with or into another entity and the surviving entity is not a Loan Party; or (B) conveys, transfers or leases (in one transaction or a series of transactions) all or substantially all of its property and assets to any Person that is not a Loan Party.

“Closing Date” shall mean September 23, 2025.

“Collateral” shall mean all of the undertaking, property and assets, present and future, real and personal, of the Borrower and any other Loan Party, including that specifically described in section 5 hereof together with all other undertaking, property and assets of the Borrower or any other Loan Party now or hereafter pledged to the Lender to secure, either directly or indirectly, repayment of any of the Liabilities.

“Collateral Access Agreement” shall mean an agreement in form and substance reasonably satisfactory to the Lender pursuant to which a mortgagee or lessor of real property on which Collateral is stored or otherwise located, or a warehouseman, processor or other bailee of Inventory or other property owned by the Borrower or any other Loan Party, acknowledges the Liens granted in favour of the Lender by the Borrower and the other Loan Parties and waives or subordinates any Liens held by such Person on

such Collateral, and, in the case of any such agreement with a mortgagee or lessor, permits access to and use of such real property following the occurrence and during the continuance of an Event of Default to assemble, complete and sell any Collateral stored or otherwise located thereon.

“Collateral Documents” shall mean, collectively, the documents listed in section 5 hereof and each other Collateral Access Agreement, Blocked Account Agreement, the Intercreditor Agreement and any agreement or instrument pursuant to which any other Loan Party or any other Person, grants or purports to pledge and grant Liens in favour of the Lender in or in respect of Collateral or otherwise relates to such Collateral.

“Collateral Loan Report” shall have the meaning ascribed thereto in subsection 7(a) hereof.

“Commitment” shall mean Fifty Million Canadian Dollars (Cdn. \$50,000,000) or as otherwise increased or reduced from time to time pursuant to the terms hereunder.

“Conforming Changes” means, with respect to the use or administration of a Benchmark or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of Notices of Borrowing or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of subsection 3(i) and other technical, administrative or operational matters) that the Lender decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Constituting Documents” shall mean, with respect to any body corporate, the original or restated articles of incorporation, articles of continuance, articles of amendment, articles of amalgamation, articles of arrangement, articles of reorganization, articles of revival, letters patent, memorandum of agreement, special Act or statute and any other instrument or constituting document by or pursuant to which the body corporate is incorporated or comes into existence and with respect to any partnership, the partnership agreement and any other instrument or constituting document by or pursuant to which the partnership is created or comes into existence.

“Contaminant” shall mean all Hazardous Materials and all those substances which are regulated by and form the basis of liability under Environmental Laws or any other material or substance which constitutes a material health, safety or environmental hazard to any Person or property.

“Control” (including with correlative meanings the terms “controlled by” and “under common control with”) in respect of any other Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of any Person, whether through the ownership of Equity Interests or voting interests or by contract or otherwise.

“Conversion” shall mean a conversion or deemed conversion of a Type of Loan into another Type of Loan pursuant to the provisions hereof; provided that the Borrower may not convert a Term CORRA Borrowing to a Daily Compounded CORRA Borrowing, or a Daily Compounded CORRA Borrowing to a Term CORRA Borrowing, except as otherwise permitted pursuant to subsection 3(j)(iii).

“Conversion Date” shall mean the date specified by the Borrower as being the date on which the Borrower has elected to convert, or this Agreement requires the Conversion of, one Type of Loan into another Type of Loan and which shall be a Business Day.

“Conversion Notice” shall have the meaning ascribed thereto in subsection 4(b)(ii) hereof.

“CORRA” means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

“CORRA Borrowings” means Term CORRA Borrowings and Daily Compounded CORRA Borrowings.

“Daily Compounded CORRA” means, for any Business Day in an Interest Period, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Lender in accordance with the methodology and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded CORRA for business loans; provided that if the Lender decides that any such convention is not administratively feasible for the Lender, then the Lender may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published CORRA and a Benchmark Replacement Date with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

“Daily Compounded CORRA Borrowing” means a Borrowing comprised of Daily Compounded CORRA Loans.

“Daily Compounded CORRA Loan” means a Loan made pursuant to subsection 2(a) that bears interest at a rate based on Adjusted Daily Compounded CORRA.

“Debt” means, in respect of any particular Loan Party and without duplication:

- (i) all indebtedness of such Loan Party for borrowed money;
- (ii) any obligation, contingent or otherwise, that is required in accordance with GAAP to be classified as a liability on the balance sheet of such Loan Party;
- (iii) any obligation secured by a Lien on any property, assets or undertaking owned or acquired by such Loan Party, whether or not such obligation has been assumed;
- (iv) any debt or liability of such Loan Party that represents the deferred acquisition cost of property or assets created or arising under any conditional sale agreement or other title retention agreement regardless of whether the rights and remedies of the seller under such agreement in the event of default are limited to repossession or sale of the property or assets covered thereby;
- (v) any liabilities, contingent, unmatured or otherwise, under indemnities given in respect of any bankers’ acceptance, letter of credit or letter of guarantee; and
- (vi) any obligation in respect of a lease in respect of which such Loan Party is liable as lessee and under which such Loan Party has furnished a residual value guarantee.

“Default” shall mean any event, condition or default which with the giving of notice, the lapse of time or both would be an Event of Default.

“Dilution” shall mean, with respect to any Person for any period, the percentage obtained by dividing: (a) the sum of non-cash credits applied against Accounts of such Person for such period, plus pending, but not yet applied, non-cash credits against Accounts of such Person for such period as determined by the Lender, by (b) gross invoiced sales of such Person for such period.

“EBITDA” shall mean, for any period, net income after taxes for such period of a Person, plus, without duplication, (i) interest expense, (ii) income tax expense, (iii) depreciation and amortization expenses, (iv) non-cash foreign exchange losses; (v) any after-tax losses on the sale of assets other than Inventory; (vi) other after-tax extraordinary or non-recurring losses (in the Lender’s reasonable discretion); (vii) amounts on account of costs accrued with respect to any long term employee incentive programs (which, for greater certainty, shall exclude any employee bonus programs); (viii) non-cash losses (in the Lender’s reasonable discretion); and (ix) transaction expenses incurred in connection with this Agreement and the 2025 Recapitalization in an amount not to exceed **[redacted]**; less, without duplication, (i) any non-cash gains (in the Lender’s reasonable discretion), (ii) any non-financed Capital Expenditures; (iii) any non-refundable cash taxes paid, (iv) any Permitted Distributions; (v) any after-tax gains on the sale of assets other than Inventory, (vi) other after-tax extraordinary or non-recurring gains (in the Lender’s reasonable discretion); (vii) any cash amounts paid on account of any long term employee incentive programs; and (viii) non-cash foreign exchange gains.

“EDC” shall mean Export Development Canada, including its successors and assigns.

“EDC Foreign Exchange Insurance” shall mean insurance provided by EDC in respect of any Foreign Exchange Contract of the Borrower which provides the Lender with a guarantee to pay to the Lender any losses that occur as a result of the Borrower not being able to meet its obligations on any such Foreign Exchange Contract for any reason, whether in the normal course or as a result of any proceedings relating to bankruptcy or insolvency, or otherwise, such insurance to be in form and substance satisfactory to the Lender in its discretion.

“Eligible Account” shall mean an Account owing to the Borrower or another Loan Party which is acceptable to the Lender in its reasonable discretion for lending purposes. Without limiting the aforementioned Lender’s reasonable discretion, the Lender shall, in general, consider an Account to be an Eligible Account if it meets, and so long as it continues to meet, all of the following requirements:

- (i) it is genuine and in all respects is what it purports to be;
- (ii) it is owned by the Borrower or another Loan Party and the Borrower or such other Loan Party has the right to subject it (and has subjected it) to a first ranking Lien in favour of the Lender;
- (iii) it arises from (A) the performance of services by the Borrower or such other Loan Party and such services have been fully performed and acknowledged and accepted by the Account Debtor thereunder; or (B) the sale of Goods by the Borrower or such other Loan Party and such Goods have been completed in accordance with the Account Debtor’s specifications (if any) and delivered to and accepted by the Account Debtor, such Account Debtor has not refused to accept and has not returned or offered to return any of the Goods, or has not refused to accept any of the services, which are the subject of such Account, and the Borrower has

possession of, or have delivered to the Lender at the Lender's request, shipping and delivery receipts evidencing delivery of such Goods;

- (iv) it is evidenced by an invoice rendered to the Account Debtor thereunder, and is due and payable (subject to applicable payment terms), and:
  - A. with respect to invoices rendered to Investment Grade Account Debtors, within a maximum of one hundred and twenty (120) days after the stated invoice date thereof and does not remain unpaid for more than the lesser of one hundred and twenty (120) days past the stated invoice date thereof and sixty (60) days past the stated due date thereof; and
  - B. with respect to invoices rendered to all other Account Debtors that are not Investment Grade Account Debtors, within a maximum of ninety (90) days after the stated invoice date thereof and does not remain unpaid for more than the lesser of ninety (90) days past the stated invoice date thereof and sixty (60) days past the stated due date thereof,

provided, however, that if more than fifty percent (50%) of the aggregate dollar amount of invoices owing by a particular Account Debtor to the Borrower remains unpaid (y) for more than the lesser of one hundred and twenty (120) days past the stated invoice date thereof and sixty (60) days past the respective due dates thereof with respect to invoices rendered to Investment Grade Account Debtors or (z) for more than the lesser of ninety (90) days past the stated invoice date thereof and sixty (60) days past the respective stated due dates thereof with respect to invoices rendered to all other Account Debtors that are not Investment Grade Account Debtors, then in each case in (y) and (z) above, all Accounts owing to the Borrower by such Investment Grade Account Debtors or such other Account Debtors that are not Investment Grade Account Debtors, as the case may be, shall be deemed ineligible;
- (v) it is not subject to any prior assignment or Lien whatsoever, other than Permitted Liens;
- (vi) it is a valid, legally enforceable and unconditional obligation of the Account Debtor thereunder, and is not subject to setoff, counterclaim, contra, deduction, credit, allowance or adjustment, or to any claim by such Account Debtor denying liability thereunder in whole or in part whether by reason of prepayment, previous credit or otherwise;
- (vii) it does not arise out of a contract or order which fails in any material respect to comply with the requirements of Applicable Law;
- (viii) the Account Debtor thereunder is not any of the following (each "Related Account Debtor"):
  - A. a Subsidiary, Parent or Affiliate of the Borrower or any other Loan Party;  
or

- B. a director, officer, employee or agent of the Borrower, any other Loan Party or any Subsidiary, Parent or Affiliate of the Borrower or any other Loan Party;
- (ix) it is not an Account with respect to which the Account Debtor is (A) the United States Government or any department, agency or instrumentality thereof, unless the Borrower or the other Loan Party (as applicable) assigns their right to payment of such Account to the Lender pursuant to, and in full compliance with, the *Assignment of Claims Act* of 1940, as amended, (B) His Majesty the King in Right of Canada or any department, agency or instrumentality thereof, unless the Borrower grants to the Lender by way of absolute assignment and as security, their right to payment of such Account pursuant to and in full compliance with, and all other steps deemed necessary by the Lender have been taken under, the *Financial Administration Act* (R.S.C. 1985, c. F-11), as amended, or (C) a Crown corporation, any other government or other governmental body if such Account cannot be the object of a valid first ranking Lien in favour of the Lender without special formalities or requirements, unless such formalities or requirements have been performed to the full satisfaction of the Lender;
- (x) it is not an Account with respect to which the Account Debtor is located in a state of the U.S., a province or territory of Canada or in any other country (except with respect to an Account Debtor in any such other country in respect of which clause (B) in subparagraph (xii) below has been complied with) which requires the Borrower as a precondition to commencing or maintaining an action in its courts, either to (A) receive a certificate of authority to do business and be in good standing therein, (B) file a notice of business activities report or similar report with its taxing authority, or (C) otherwise comply with any other requirement of such state, province, territory or country, unless (x) the Borrower has taken the appropriate actions described in clauses (A), (B) or (C), (y) the failure to take one of the actions described in any of clauses (A), (B) or (C) may be cured by the Borrower at its election, or (z) the Borrower has proven, to the Lender's satisfaction, that it is exempt from any such requirements under any such state's, province's or country's Laws;
- (xi) it is an Account which arises out of the delivery of services or a sale made in the ordinary course of the Borrower's business;
- (xii) the Account Debtor is a resident or citizen of, is located in or has its chief executive office located within (A), a state or province of the U.S. or Canada in which the Lien in favour of the Lender is properly registered in accordance with Applicable Law (if required by Applicable Law to be registered in such state or province) and the Account is payable in either U.S. Dollars or Canadian Dollars, or (B) any other country, provided the payment of such Account is secured by a letter of credit or insurance which is payable in U.S. Dollars or Canadian Dollars supplied by an institution, and which is in form and substance and otherwise, satisfactory to the Lender in its discretion;
- (xiii) it is not an Account with respect to which the Account Debtor's obligation to pay is conditional upon the Account Debtor's approval of the Goods or services or is otherwise subject to any repurchase obligation or return right, as with sales made

on a bill-and-hold, guaranteed sale, sale on approval, sale or return or consignment basis;

- (xiv) it is not an Account (A) with respect to which any representation or warranty contained in this Agreement or any other Loan Documents is untrue or (B) which violates any of the covenants of the Borrower or any other Loan Party contained in this Agreement or any other Loan Documents;
- (xv) subject to clause (xvi) below, it is not an Account which, when added to a particular Account Debtor's other indebtedness to the Borrower, exceeds 20% (30% for Investment Grade Account Debtors) for of all Accounts of the Borrower or a credit limit determined by the Lender in its sole discretion, for that Account Debtor (except that Accounts excluded from Eligible Accounts solely by reason of this clause (xv) shall be Eligible Accounts to the extent of such credit limit and set forth herein);
- (xvi) in the case of:
  - A. Canadian Natural Resources Limited ("CNRL"), it is not an Account which, when added to CNRL's or its Affiliates' other Debt to the Borrower, exceeds 35% for of all Accounts of the Borrower, for CNRL (except that Accounts excluded from Eligible Accounts solely by reason of this clause (xvi) (A) shall be Eligible Accounts to the extent of such credit limit and set forth herein); and
  - B. Suncor Energy Inc. ("Suncor"), it is not an Account which, when added to Suncor's or its Affiliates' other Debt to the Borrower, exceeds 35% for of all Accounts of the Borrower, for Suncor (except that Accounts excluded from Eligible Accounts solely by reason of this clause (xvi) (B) shall be Eligible Accounts to the extent of such credit limit and set forth herein);
- (xvii) it is not an Account with respect to which the prospect of payment or performance by the Account Debtor is or will be impaired, as determined by the Lender in its reasonable discretion; and
- (xviii) it is not an Account arising from pre-billings or progress billings.

"Environmental Claims" shall mean, with respect to any Person, any written notice of violation, claim, deficiency, demand, abatement or other order or prosecution by any governmental authority or any person for personal injury (including sickness, disease or death), tangible or intangible property damage, damage to the environment, nuisance, pollution, contamination or other adverse effects on the environment, or for fines, penalties, convictions or deed or use restrictions, resulting from or based upon (i) the existence, or the continuation of the existence, of a Release (including, without limitation, sudden or non-sudden, accidental or non-accidental Releases), of, or exposure to, any Contaminant at, in, by or from any of the properties of such Person, (ii) the environmental aspects of the transportation, storage, treatment or disposal of Contaminants in connection with the operation of any of the properties of such Person or (iii) the violation, or alleged violation by such Person, of any statutes, ordinances, orders, rules, regulations, permits or licenses of or from any Governmental Authority, agency or court relating to environmental matters connected with any of the properties of such Person, under any applicable Environmental Laws.

“Environmental Laws” shall mean all federal, provincial, territory, state, municipal, district, local and foreign Laws, rules, regulations, ordinances, permits, approvals, authorizations, licenses, decisions, interpretations and orders of courts or Governmental Authorities and consent decrees relating to human health or safety, Hazardous Materials, pollution and environmental matters, now or hereafter in effect, and Laws and regulations respecting pesticides, fisheries regulation and water resource management, as all of the aforesaid Laws and regulations have been and hereafter may be amended or supplemented, and any related or analogous present or future federal, provincial, territory, state, municipal, district, local or foreign Laws, statutes, rules, regulations, ordinances and consent decrees having the force of Law.

“Environmental Losses” shall have the meaning ascribed thereto in subsection 14(b) hereof.

“Equity Interests” shall mean, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“Equivalent Amount” shall mean, on any given date, with respect to any two currencies, the amount obtained in the selected currency which could be purchased with the relevant amount of the other currency at the then applicable Spot Rate at 11:00 a.m. Toronto time on such date (and if such date is not a Business Day, on the preceding Business Day) for the purchase of the selected currency with such other currency.

“Event of Default” shall have the meaning ascribed thereto in section 12 hereof.

“Excess Availability” shall mean, as of any date of determination by the Lender, the excess, if any, of (i) the Borrowing Base less (ii) the aggregate of the outstanding Loans as of the close of business on such date.

“Excluded Subsidiaries” shall mean each of 521855 Alberta Ltd., Quantum Murray GP Inc. and Quantum Murray LP.

“Financial Reporting Certificate” shall have the meaning ascribed thereto in subsection 7(c)(i) hereof.

“Fiscal Quarter End” shall mean, June 30, September 30, December 31 and March 31 in the case of the Borrower and the other Loan Parties, in each Fiscal Year.

“Fiscal Year” shall mean the fiscal year of each of the Borrower and the other Loan Parties ending on the Fiscal Year End of each calendar year.

“Fiscal Year End” shall mean December 31<sup>st</sup> in the case of the Loan Parties, in each Fiscal Year.

“Fixed Charge Coverage Ratio” shall mean as at each Fiscal Quarter End to be calculated on a consolidated basis for the Loan Parties on a trailing four (4) quarter basis, the ratio of (i) the total

EBITDA for such period to (ii) the sum for such period of the principal and interest payments of long term Debt, including the principal component of any capital lease and Subordinated Debt (in each case, whether or not in fact paid or scheduled to be paid during such period), but for greater certainty excluding any principal or interest paid in kind or converted into Equity Interests of the Borrower or another Loan Party.

“Floor” means a rate of interest equal to zero percent (0%) per annum.

“Foreign Exchange Contracts” shall mean any currency swap agreements, cross currency agreements, forward agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, where the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time.

“Fraudulent Conveyance” shall mean a fraudulent conveyance or fraudulent transfer under the applicable provisions of any fraudulent conveyance or fraudulent transfer Applicable Law or similar law of any province, state, nation or other Governmental Authority, as in effect from time to time.

“GAAP” shall mean generally accepted accounting principles in Canada as in effect from time to time, and, following any change in respect of accounting standards to be adopted by Canadian private companies, such accounting standards approved by the Canadian Accounting Standards Board in effect from time to time as may be selected by a Loan Party including, without limitation, accounting standards for private enterprises or international financial reporting standards, in each case consistently applied provided that each Loan Party shall, when required to adopt new accounting standards, adopt accounting standards for private enterprises unless the Lender otherwise consents in writing.

“Governmental Authority” shall mean the government of Canada, the United States of America or any other nation, or of any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank (or similar monetary or regulatory authority) or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supranational bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

“Guarantors” shall include those Subsidiaries of the Borrower listed in Schedule F hereto, which schedule may be updated from time to time with the Lender’s prior written consent, and any other Person who enters into, executes and delivers one or more guarantees in favour of the Lender in respect of the Liabilities and “Guarantor” means any one of them.

“Hazardous Materials” shall mean any pollutant, contaminant, chemical, or industrial or hazardous, toxic or dangerous goods, waste, substance or material, defined or regulated as such in (or for purposes of) any Environmental Laws and any other toxic, reactive, or flammable chemicals, including (without limitation) any friable asbestos, any petroleum (including crude oil or any fraction), any radioactive substance and any polychlorinated biphenyls; provided, that in the event that any Environmental Law is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment; and provided further that, without limitation, to the extent that the Applicable Laws of any province, state, municipality or any other local or foreign jurisdiction (including those of the United States of America) establish a meaning for “waste,” “hazardous material,” “hazardous substance,” “hazardous waste,” “solid waste,” “pollutant,” “contaminant,” “chemical mixture,” “chemical substance,” or “toxic substance” which is broader than that specified in any federal Environmental Laws in such jurisdiction, such broader meaning shall apply in the relevant jurisdiction.

“Hedging Instruments” shall mean, collectively, Foreign Exchange Contracts and Interest Rate Swaps.

“Hedging Obligations” shall mean, as of the date of determination, the notional amount of all Hedging Instruments.

“Hedging Reserves” shall mean, at any time, a mark-to-market reserve in respect of the Hedging Obligations then outstanding between the Borrower and the Lender, as determined by the Lender in its discretion and as adjusted from time to time by the Lender in its discretion, whether as a result of a change in the reserve methodology used by the Lender or otherwise.

“Indemnified Liabilities” shall have the meaning ascribed thereto in subsection 14(a) hereof.

“Indemnified Party” shall have the meaning ascribed thereto in section 14 hereof.

“Intercreditor Agreement” shall mean that certain fourth amended and restated intercreditor agreement dated as of April 14, 2022, as amended by a an acknowledgement dated September 23, 2025 between, *inter alios*, the Lender, the Term Loan Agent, for and on behalf of the Term Lenders, BDC and the Loan Parties, as the same may be amended, restated, replaced or modified from time to time.

“Interest Payment Date” shall mean, with respect to (i) each Prime Rate Loan, the first Business Day of each calendar month, (ii) with respect to each Term CORRA Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part; and (iii) with respect to each Daily Compounded CORRA Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part; provided that, the Maturity Date or, if applicable, any earlier date on which the Commitment is fully cancelled or permanently reduced in full, shall be an Interest Payment Date with respect to all Loans then outstanding under this Agreement.

“Interest Period” shall mean: (i) with respect to each Prime Rate Loan, the period commencing on the applicable Borrowing date or Conversion Date, as the case may be, and terminating on the date selected by the Borrower hereunder for the Conversion of such Loan into another Type of Loan or for the repayment of such Loan; (ii) with respect to each Term CORRA Loan, the initial period (subject to availability) of one (1) or three (3) months commencing on and including the date specified in the Notice of Borrowing or Conversion Notice, or the Rollover Date, as the case may be, applicable to such Term CORRA Loan and ending on and excluding the last day of such initial period, and thereafter, each successive period (subject to availability) of approximately one (1) or three (3) months as selected by the Borrower and notified to the Lender in writing commencing on and including the last day of the prior Interest Period; and (iii) with respect to each Daily Compounded CORRA Loan, the initial period (subject to availability) of approximately one (1) month commencing on and including the date on which a Borrowing or Conversion is made, or the Rollover Date, as the case may be, applicable to such Daily Compounded CORRA Loan and ending on and excluding the last day of such initial period, and thereafter, each successive period (subject to availability) of approximately one (1) month commencing on and including the last day of the prior Interest Period; provided that in any case: (A) the last day of each Interest Period shall be also the first day of the next Interest Period whether with respect to the same or another Loan; (B) the last day of each Interest Period shall be a Business Day and if the last day of an Interest Period selected by the Borrower is not a Business Day the Borrower shall be deemed to have selected an Interest Period the last day of which is the Business Day next following the last day of the Interest Period selected unless such next following Business Day falls in the next calendar month in which event the Borrower shall be deemed to have selected an Interest Period the last day of which is the Business Day next preceding the

last day of the Interest Period selected by the Borrower; and (C) the last day of all Interest Periods for Loans outstanding pursuant to this Agreement shall expire on or prior to the Maturity Date.

“Interest Rate Swaps” shall mean any interest rate swap agreements, forward rate agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, where the subject matter of the same is interest rates or the price, value or amount payable thereunder is dependent or based upon the interest rates or fluctuation in interest rates in effect from time to time (but for certainty, shall exclude conventional floating rate debt).

“ITA” shall mean the *Income Tax Act* (Canada) and the rules and regulations enacted thereunder, each as amended or modified from time to time.

“Inventory” means all inventory and any other goods which are held for sale or lease or are to be furnished under contracts of service or consumed in the Borrower’s business, all raw materials, work in process and finished goods.

“Investment Grade Account Debtor” means an Account Debtor whose Equity Interests or its debt issuances are traded on a recognized public securities exchange and whose credit rating is equal to or higher than BBB- as set by S&P (or equivalent rating set by another credit rating agency acceptable to the Lender in its discretion).

“Investment Grade Eligible Account” means an Eligible Account owing by an Investment Grade Account Debtor.

“Law” shall mean all federal, provincial, state or local laws, (including the common law), by-laws, ordinances, statutes, regulations, treaties, judgments and decrees, and all official directives, rules, guidelines, notices, approvals, orders, policies and other requirements of any Governmental Authority having the force of law.

“Leased Premises” shall mean, collectively, the real and immovable property leased by the Borrower or any other Loan Party pursuant to the Real Property Leases.

“Lender” shall have the meaning ascribed thereto in the Preamble hereof.

“Lender’s Branch” shall mean the Lender’s branch office located at TD Tower, 66 Wellington Street West, 12<sup>th</sup> Floor, Toronto, Ontario, Canada M5K 1A2 or such other branch of the Lender as the Lender may designate in writing to the Borrower from time to time.

“Letter of Credit Fee” shall have the meaning ascribed thereto in subsection 3(h) hereof.

“Letter of Credit Fee Rate” shall mean, with respect to any Letter of Credit, the applicable percentage rate per annum determined in accordance with the pricing grid set forth immediately below by reference to either a standby Letter of Credit or a documentary Letter of Credit, as the case may be:

| Letter of Credit              | Letter of Credit Fee Rate |
|-------------------------------|---------------------------|
| Standby Letters of Credit     | [amount redacted]%        |
| Documentary Letters of Credit | [amount redacted]%        |

“Letter of Credit Request” shall have the meaning ascribed thereto in subsection 4(b)(xi) hereof.

“Letters of Credit” shall mean documentary or standby letters of credit issued for Borrower’s account in accordance with the terms of subsection 2(e) hereof.

“L/C Liabilities” shall mean at any time the face amount of letters of credit (if any) issued for Borrower’s account by the Lender to the extent not drawn down and if drawn down, not fully reimbursed to the Lender.

“Liabilities” shall mean any and all present and future obligations, liabilities and indebtedness of the Borrower and the Guarantors to the Lender or to any Parent, Affiliate or Subsidiary of the Lender of any and every kind and nature, howsoever created, arising or evidenced and howsoever owned, held or acquired, whether now or hereafter existing, whether now due or to become due, whether primary, secondary, direct, indirect, absolute, contingent or otherwise (including, without limitation, obligations of performance), whether several, joint or joint and several, and arising under, pursuant to or in connection with this Agreement or any Loan Document, including, without limitation, all Loans, all L/C Liabilities, all Hedging Obligations, all liabilities under VISA facilities and all unpaid interest, fees, charges, costs, indemnities and expenses owing to the Lender hereunder and thereunder or under or pursuant to any other Loan Documents.

“Lien” shall mean, with respect to any asset, including any real or personal property or other right owned or being purchased or acquired by a Person (including an interest in respect of a capital lease) any mortgage, lien, title retention lien, charge, hypothec, pledge, claim, security interest or other encumbrance of any kind, whether arising by contract, as a matter of Law, by judicial process or otherwise in respect of such asset.

“Line Cap” shall mean, at any time, the lesser of: (a) the Commitment; and (b) the Borrowing Base.

“Loan” or “Loans” shall mean any and all revolving loans made by the Lender as defined in section 2 hereof and all other loans, advances and financial accommodations made by the Lender to or on behalf of the Borrower hereunder.

“Loan Account” shall mean the account or accounts of the Lender maintained at the Lender’s Branch identified and described in Schedule E attached hereto (as such may be replaced or updated from time to time by the Lender in writing to the Borrower).

“Loan Documents” shall mean this Agreement and any and all agreements, instruments and documents entered into in connection with the transactions contemplated by this Agreement, including,

without limitation, the Collateral Documents, Hedging Instruments and all other guarantees, mortgages, charges, hypothecs, trust deeds, pledges, powers of attorney, consents, assignments, contracts, notices, security agreements, leases, financing statements and all other writings heretofore, now or from time to time hereafter executed by or on behalf of the Borrower or any other Person (including any other Loan Party) and delivered to the Lender or to any Parent, Affiliate or Subsidiary of the Lender (other the Excluded Subsidiaries).

“Loan Party” shall mean the Borrower and the Guarantors.

“Lock Box” shall have the meaning ascribed thereto in subsection 6(a) hereof.

“Material Adverse Effect” shall mean any of the following: (a) a material adverse change in or a material adverse effect upon (in either case, irrespective of whether occurring as a result of a specific event or circumstance or otherwise) the business, financial condition, results of operations, properties or assets of the Borrower the other Loan Parties, taken as a whole; (b) a material impairment (irrespective of whether occurring as a result of a specific event or circumstance or otherwise) of the ability of the Loan Parties, taken as a whole, to perform their respective payment obligations under the Loan Documents; or (c) except if caused by actions or inactions of the Lender, a material adverse effect (irrespective of whether occurring as a result of a specific event or circumstance or otherwise) upon: (i) the legality, validity, binding effect or enforceability of any Loan Document to which any Loan Party is a party against the Loan Parties; or (ii) the rights and remedies of the Lender under or in respect of any Loan Documents.

“Maturity Date” shall mean April 14, 2030, subject to acceleration pursuant to section 13 hereof.

“Notice of Borrowing” shall have the meaning ascribed thereto in subsection 4(b)(i)A.

“Original Closing Date” shall mean April 14, 2022.

“Parent” shall mean any Person which, at any time, now or hereafter owns at least 50% or more of the issued outstanding voting Equity Interests of another Person or otherwise Controls such other Person, and if such other Person is a partnership, owns at least 50% or more of the issued outstanding voting Equity Interests of the general partner of such other Person or otherwise Controls such general partner of such other Person.

“Patriot Act” shall mean the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001), as amended from time to time.

“Permitted Acquisitions” means Acquisitions made by the Loan Parties for a purchase price not exceed (x) \$ **[amount redacted]** per annum, and (y) \$ **[amount redacted]** in the aggregate during the term of this Agreement, and, in each and every case, where:

- (i) no Default or Event of Default has occurred and is continuing for the period **[redacted]** days prior to the closing of the proposed Acquisition and projected for the **[redacted]** days after the closing date of the proposed Acquisition;
- (ii) the Borrower has provided evidence to the Lender of pre- and post-Acquisition that (A) the Fixed Charge Coverage Ratio is not and is not projected to be less than **[redacted]** to 1.00, and (B) that Excess Availability exceeds the greater of: (x) **[redacted]** % of the Line Cap, and (y) \$**[redacted]**, in each case, measured for the

period [redacted] days prior to the closing of the proposed Acquisition and projected for the [redacted] days after the closing date of the proposed Acquisition;

- (iii) the proposed Acquisition will contribute positive EBITDA;
- (iv) the proposed Acquisition shall not constitute a hostile take-over bid;
- (v) any Debt owing by any Person acquired or attached to any assets acquired and Liens granted by or affecting any Person acquired or attached to any assets acquired must be repaid or discharged upon closing of the Acquisition unless such Debt would be permitted hereunder and any Lien would be a Permitted Lien; and
- (vi) the Lender has been provided with at least thirty (30) days prior written notice of such Acquisition and, prior to completion of the proposed Acquisition, all reasonably requested and available financing, legal and other due diligence in respect of any proposed acquisition.

“Permitted Bank Account” shall have the meaning ascribed thereto in subsection 10(p) hereof.

“Permitted Distributions” shall mean any payments or distributions made by a Loan Party from time to time to any Person as permitted by the provisions of this Agreement, including, without limitation, those listed in subsection 10(k) hereof or as otherwise agreed to in writing by the Lender from time to time in its sole discretion.

“Permitted Indebtedness” shall have the meaning ascribed thereto in subsection 9(m) hereof.

“Permitted Investments” shall have the meaning ascribed thereto in subsection 10(l) hereof.

“Permitted Liens” shall mean: (i) statutory liens of landlords, carriers, warehousemen, mechanics, materialmen or suppliers incurred in the ordinary course of business and securing amounts not yet due or declared to be due by the claimant thereunder or which are being contested in good faith and by appropriate proceedings and during such period which such Liens are being so contested, such Liens shall not be executed on any of the Collateral; (ii) Liens in favour of the Lender; (iii) zoning restrictions and easements, rights of way, licenses, covenants and other restrictions affecting the use of real property that do not individually or in the aggregate have a Material Adverse Effect on the ability of the owner or user thereof to use such real property for its intended purpose in connection with its business; (iv) Liens and prior claims securing the payment of taxes, other governmental charges or utilities not yet delinquent or being contested in good faith and by appropriate proceedings and during such period which such Liens are being so contested, such Liens shall not be executed on any of the Collateral; (v) Liens securing a purchase money obligation or Liens incurred or deposits made in the ordinary course of business in connection with capitalized leases for purchase of, and in each case applying only to, Equipment permitted as Capital Expenditures under subsection 10(n)(i); (vi) Liens, deposits or pledges to secure performance of bids, trade contracts, tenders, leases, statutory obligations, indemnity, performance, surety and appeal bonds and other obligations of like nature incurred in the ordinary course of business (to the extent not excepted elsewhere herein and up to any limits set forth in this Agreement), in an aggregate sum not to exceed Cdn. \$[redacted] at any time; (vii) the Liens set forth on Schedule C or specifically permitted by the Lender in its discretion and in writing from time to time; (viii) the Liens securing the BDC Indebtedness and the Term Loan Indebtedness; (ix) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt

secured by a Lien permitted by any of the foregoing subsections (i) through (viii) inclusive; provided, that (A) such Debt is not secured by any additional assets, and (B) the amount of such Debt is not increased; (x) pledges or deposits in connection with worker's compensation, employment insurance and other social security legislation, (xi) rights of setoff, banker's lien and other similar rights arising solely by operation of Law; (xii) Liens subordinated to the Liens described in (ii) above by agreements satisfactory in form and substance to the Lender in its discretion; (xiii) undetermined or inchoate Liens and charges arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with Applicable Law or of which written notice has not been duly given in accordance with Applicable Law or which although filed or registered, relate to obligations not due or delinquent; and (xiv) Liens created by a judgement of a court of competent jurisdiction so long as such judgement does not result in an Event of Default.

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

“Plans” shall mean all pension, retirement or supplemental retirement benefit plans, arrangements or agreements, including any defined benefit or defined contribution pension plans and any group registered retirement savings plans and any other similar employee benefit plans, arrangements or agreements, whether oral or written, formal or informal, funded or unfunded, that are, in each case, sponsored or maintained by the Borrower or any other Loan Party providing for retirement income for the benefit of the Borrower's or any such other Loan Party's employees, former employees dependants or beneficiaries of either of them, whether or not insured, which for greater certainty do not include Union Plans.

“PPSA” shall mean the *Personal Property Security Act* (Alberta) and the regulations made relating thereto, as each may be amended from time to time, and includes any statute substituted therefor and any amendments thereto; provided that if perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder or under any other Loan Document on the Collateral is governed by the movable property security legislation or other applicable legislation with respect to movable property security in effect in a jurisdiction in Canada other than in the Province of Alberta, “PPSA” shall mean the Personal Property Security Act or such other applicable legislation (including the Civil Code of Québec) in effect from time to time in such other jurisdiction in Canada for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority and for the definitions related to such provisions.

“Prime Rate” shall mean the floating annual rate of interest established from time to time by the Lender as the reference rate for determining interest rates on commercial loans made in Canada in the lawful currency of Canada and designated as its prime rate. The Prime Rate is a reference rate and is not intended to be the lowest or most favourable rate of the Lender in effect at any time and shall vary from time to time as determined by the Lender. If the Prime Rate as determined above is less than the Floor, the Prime Rate shall be deemed to be the Floor.

“Prime Rate Borrowing” means a Borrowing comprised of Prime Rate Loans.

“Prime Rate Loan” shall mean a Loan in Canadian Dollars that bears interest based on the Prime Rate.

“Priority Payables” shall mean, with respect to any Person, any amount payable by such Person which is the subject of trust claim or secured by a Lien which ranks or is capable of ranking prior to or *pari passu* with the Liens created by the Collateral Documents in respect of any Collateral, including

amounts owing for wages, vacation pay, severance pay (to the extent capable of ranking prior to the Liens under the Collateral Documents under Applicable Law), employee deductions, sales tax, excise tax, Tax payable pursuant to Part IX of the *Excise Tax Act* (Canada) (net of GST input credits), income tax, workers compensation, government royalties, pension fund obligations, Plan obligations, real property tax and other statutory or other claims that have or may have priority over, or rank *pari passu* with, such Liens created by the Collateral Documents.

“Proceeds of Crime Act” shall mean *the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (or any successor statute), as amended from time to time, and includes all regulations thereunder.

“QM Litigation” shall mean the litigation claims initiated against Quantum Murray LP and disclosed to the Lender on the Original Closing Date.

“QM Subsidiaries” shall mean Quantum Murray LP and Quantum Murray GP Inc.

“Real Property” shall mean, collectively, all real and immovable property owned or leased by the Borrower or any other Loan Party, including, without limitation, the Sherwood Park Property and the Leased Premises.

“Real Property Leases” shall mean the real property leases and other rights of occupancy relating to real property to which the Borrower or any other Loan Party is a party or under which it has rights, whether as lessor or lessee, including those identified and described on Schedule D attached hereto.

“Related Account Debtor” shall have the meaning ascribed thereto in subparagraph (viii) of the definition of “Eligible Account”.

“Release” shall mean any releasing, spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping, in each case as defined in Environmental Laws, and shall include any threatened Release, as defined in Environmental Laws; provided, that in the event that any Environmental Law is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment.

“Relevant Governmental Body” means the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto.

“Rollover” shall mean, with respect to any Term CORRA Borrowing or Daily Compounded CORRA Borrowing, the continuation of all or a portion of such Borrowing (subject to the terms and conditions hereof) for an additional Interest Period subsequent to the initial or any subsequent Interest Period applicable thereto.

“Rollover Date” shall mean the date of commencement of a new Interest Period applicable to a Term CORRA Loan or a Daily Compounded CORRA Loan.

“Rollover Notice” shall have the meaning ascribed hereto in subsection 4(b)(iii) hereof.

“S&P” means STANDARD & POOR’S, a division of The McGraw-Hill Companies, Inc.

“Sanctioned Person” shall mean any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person, group, regime, entity or thing, or subject to any limitations or prohibitions (including but not limited to the blocking of

property or rejection of transactions), under any Anti-Terrorism Law, including any Canadian Sanctioned Person.

“Sherwood Park Property” shall mean the real property municipally known as 11 Liberty Road, Sherwood Park, Alberta T8H 2V2.

“Spot Rate” shall mean in respect of a currency, the rate determined by the Lender by reference to applicable currency markets to be the spot rate for the purchase by the Lender of such currency with another currency through its main Toronto branch at approximately 11:00 a.m. (Toronto time) on the date as of which the foreign exchange computation is made; provided that if at the time of any such determination, no such spot rate can be reasonably quoted, the Lender may use its discretion to determine such rate hereunder, and such determination shall be conclusive absent manifest error.

“STA” shall mean the *Securities Transfer Act* (Alberta) and the regulations made relating thereto, as each may be amended from time to time, and includes any statute substituted therefor and any amendments thereto.

“Statutory Payables Report” shall have the meaning ascribed thereto in subsection 7(b).

“Subordinated Debt” shall mean Debt of any Loan Party which is subordinated and postponed to the Liabilities on such terms as are satisfactory to the Lender, pursuant to a subordination and postponement agreement or otherwise. To qualify as Subordinated Debt, any such Debt must have the following characteristics:

- (i) the stated maturity of such Debt must extend a minimum of six (6) months beyond the Maturity Date;
- (ii) the terms and conditions of such Debt must not be more restrictive than the terms and conditions under this Agreement, including financial covenants which must not be more restrictive than the financial covenants contained in this Agreement;
- (iii) the terms and conditions of such Debt do not require mandatory principal repayments prior to the Maturity Date, including repayments from the proceeds of the disposition of any property of a Loan Party, except in the case of an event of default thereunder;
- (iv) the terms and conditions of such Debt do not provide for any right of the holder thereof to require prepayment prior to the Maturity Date (for these purposes, a right of conversion into Equity Interests shall not be considered a right of prepayment), except in the case of an event of default thereunder; and
- (v) such Debt shall be unsecured unless consented to in writing by the Lender.

For greater certainty, the BDC Indebtedness shall not constitute Subordinated Debt for purposes of the Agreement.

“Subsidiary” shall mean, at any time, as to any Person, any other Person, if at such time the first mentioned Person owns, directly or indirectly, securities or other Equity Interests in such other Person, having ordinary voting power to elect a majority of the board of directors or persons performing similar functions for such other Person, including any other Person in like relationship to a subsidiary of

such first mentioned Person, and shall include any partnership, joint venture or other organization which is controlled by such Person or any Subsidiary of such Person.

“Taxes” shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges, premiums, assessments, governmental charges, rents, rates, royalties, withholdings or dues of any kind or nature whatsoever imposed by any Governmental Authority or any other jurisdiction having power to tax, together with any penalties, fines, additions to tax and interest thereon.

“Term CORRA Administrator” means Candean Benchmark Administration Services Inc., TSX Inc., or any successor administrator.

“Term CORRA” means, for any calculation with respect to a Term CORRA Loan, the Term CORRA Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “**Periodic Term CORRA Determination Day**”) that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term CORRA Administrator; provided, however, that if as of 1:00 p.m. (Toronto time) on any Periodic Term CORRA Determination Day the Term CORRA Reference Rate for the applicable tenor has not been published by the Term CORRA Administrator and a Benchmark Replacement Date with respect to the Term CORRA Reference Rate has not occurred, then Term CORRA will be the Term CORRA Reference Rate for such tenor as published by the Term CORRA Administrator on the first preceding Business Day for which such Term CORRA Reference Rate for such tenor was published by the Term CORRA Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Periodic Term CORRA Determination Day.

“Term CORRA Borrowing” means a Borrowing comprised of Term CORRA Loans.

“Term CORRA Loan” means a Loan made pursuant to subsection 2(a) that bears interest at a rate based on Adjusted Term CORRA.

“Term CORRA Reference Rate” means the forward-looking term rate based on CORRA.

“Term Facility” shall mean a non-revolving term credit facility made available by the Term Lenders to the Borrower under and subject to the terms of the Term Loan Agreement in the maximum principal amount equal of Forty Million Five Hundred Thousand Canadian Dollars (Cdn. \$40,500,000).

“Term Lenders” shall mean, collectively, the Term Loan Agent for and on behalf of those certain Persons that are lenders under the Term Facility, each of which is as of the date hereof fully managed by Canso in Canso’s capacity as portfolio manager, and, individually, means any such Person. For the purposes of this definition, the term “Person” shall exclude any natural person.

“Term Loan Agent” shall mean Computershare Trust Company of Canada (together with its successors and assigns), in its capacity as agent for and on behalf of the Term Lenders under the Term Loan Agreement.

“Term Loan Agreement” shall mean that certain seventh amended and restated loan agreement dated as of the date hereof, between the Term Loan Agent, for and on behalf of the Term Lenders, the Borrower, as it may be amended, supplemented, extended or restated from time to time, pursuant to which the Term Lenders have agreed to make the Term Facility available to the Borrower, subject to the terms and conditions set out therein.

“Term Loan Indebtedness” shall mean the Debt owing from time to time under or in connection with the Term Loan Agreement.

“Total Funded Debt” shall mean, with respect to any period, all Debt of the Loan Parties on a consolidated basis determined in accordance with GAAP consistently applied.

“Total Funded Debt to Capitalization” shall mean, for any period, the percentage calculated on a consolidated basis for the Loan Parties at such time by dividing: (i) Total Funded Debt for such period, by (ii) Capitalization for such period, multiplied by 100.

“Type” shall mean, with respect to any Loan, whether such Loan is a Prime Rate Loan or a Loan determined by reference to Adjusted Term CORRA or Adjusted Daily Compounded CORRA.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Unbilled Account” shall mean an Account that would otherwise qualify as an Eligible Account but for the fact that such Account has not been invoiced, provided that the following conditions apply:

- (i) the service or delivery of Inventory giving rise to such Account has been performed by Borrower and such service or Inventory has been accepted by the customer;
- (ii) it does not represent progress billing;
- (iii) it has been less than thirty (30) days since such service or delivery of Inventory has been completed;
- (iv) it remains unbilled solely due to the administrative processes of the Borrower; and
- (v) it otherwise qualifies as an Eligible Account.

“Union Plans” shall mean any Plan that the Borrower or any other Loan Party contributes to or is required to contribute to pursuant to a collective agreement or participation agreement that is not sponsored, maintained or administered by the Borrower or any other Loan Party.

“United States” or “U.S.” shall mean the United States of America.

“United States Dollars” or “U.S. Dollars” shall mean the lawful currency of the United States of America.

“Unused Line Fee” shall have the meaning ascribed thereto in subsection 3(e) hereof.

“Voidable Transfer” shall have the meaning ascribed thereto in subsection 15(m) hereof.

(b) Accounting Terms and Definitions; Interpretation.

Unless otherwise defined or specified herein, all defined terms in subsection 1(a) as used in this Agreement shall have the meanings set out in such subsection, and all accounting terms used in this Agreement shall be construed in accordance with GAAP, applied on a basis consistent in all material respects with the financial statements delivered by the Borrower to the Lender on or before the Original Closing Date. All accounting determinations for purposes of determining compliance with the financial covenants contained in subsection 10(n) shall be made in accordance with GAAP as in effect on the Original Closing Date and applied on a basis consistent in all material respects with the audited financial statements delivered to the Lender by the Borrower on or before the Original Closing Date. The financial statements

required to be delivered hereunder from and after the Original Closing Date, and all financial records, shall be maintained in accordance with GAAP. If GAAP shall change from the basis used in preparing the audited financial statements delivered to the Lender by the Borrower on or before the Original Closing Date, the certificates required to be delivered pursuant to subsection 7(c) demonstrating compliance with the covenants contained herein shall include, upon the request of the Lender, calculations setting forth the adjustments necessary to demonstrate how the Borrower are in compliance with the financial covenants based upon GAAP as in effect on the Original Closing Date. References herein to sections and subsections hereof shall include such sections and subsections as amended or modified. Nothing in this Agreement or in any Loan Documents providing for Permitted Liens or otherwise permitting the existence or granting of any Lien, shall or shall be deemed to grant any subordination or postponement in favour of the holder of any Lien, the priority of all such Liens to be determined by other Applicable Law.

(c) Amendment and Restatement

- (i) This Agreement amends and restates the Original Credit Agreement and is not a novation of the Original Credit Agreement.
- (ii) All references to the “Agreement”, the “Credit Agreement” or similar references to the Original Credit Agreement in any of the other Loan Documents shall be deemed to refer to this Agreement, as it may be amended, restated, supplemented or replaced from time to time, without any requirement to amend such Loan Documents.
- (iii) All indebtedness, liabilities and obligations of the Borrower under the Original Credit Agreement shall continue as obligations under this Agreement, and this Agreement shall not evidence or result in a novation of such indebtedness, liabilities or obligations. Without limiting the foregoing, all amounts outstanding under the “revolving loans” under the Original Credit Agreement as of the date of this Agreement shall be deemed to be outstanding as Borrowings under, and subject to the terms of, this Agreement.
- (iv) The Borrower hereby represents, warrants and confirms to the Lender that, as of the date hereof and notwithstanding this Agreement and the amendments given effect by this Agreement:
  - A. the security interests granted in connection with the Original Credit Agreement continue in full force and effect as security for the obligations, including without limitation all indebtedness, liabilities and obligations of the Borrower under, or in connection with, this Agreement, and such documents and interests are hereby ratified and confirmed; and
  - B. all indemnities and guarantees contained in the Loan Documents continue in full force and effect in accordance with their terms, extend to the indebtedness, liability and obligations of the Borrower under this Agreement, and are hereby ratified and confirmed.

**2. LOANS AND LETTERS OF CREDIT**

Subject to the terms and conditions of this Agreement and the Loan Documents:

(a) Loans.

The Lender shall make such revolving Loans and advances requested as part of the revolving facilities hereunder (collectively, the “Loans”) to or for the account of the Borrower as the Borrower shall from time to time request, in accordance with the terms hereof. Subject to the provisions hereof requiring earlier repayment, all Loans shall be repaid in full upon the earlier to occur of: (i) the end of the term of this Agreement as determined and set forth in subsection 8(a) hereof; (ii) the termination of this Agreement and/or the cancellation and termination of the Commitment set forth in subsection 8(b) hereof; and (iii) their acceleration pursuant to section 13 of this Agreement. The Borrower hereby authorizes the Lender to charge any of the Borrower’s accounts to make any payments, whether of principal, interest or otherwise, required by this Agreement.

In addition, the Borrower, subject to the Lender’s prior written approval in its sole discretion, on at least twenty (20) days’ prior written notice to the Lender (or such lesser period as Lender may agree), from time to time permanently increase the Commitment in an aggregate principal amount of up to Five Million Canadian Dollars (Cdn. \$5,000,000), provided that (i) no increase in the Commitment shall be made if a Default or an Event of Default shall have occurred and be continuing or would result after giving effect to such increase, (ii) each such increase shall be in a minimum principal amount of One Million Canadian Dollars (Cdn. \$1,000,000) (or such lesser amount as the Lender may agree), (iii) the Borrower shall pay to the Lender a one-time fee in an amount equal to **[amount redacted]**% of the amount of each such Commitment increase multiplied by the number of years (including and pro-rated for partial years) remaining from the date of such Commitment increase until the Maturity Date, and (iv) the aggregate principal amount of the Commitment (after giving effect to any and all Commitment increases) shall not exceed Fifty-Five Million Canadian Dollars (\$55,000,000).

(b) Margin and Other Requirements: Loans.

The Lender shall make Loans to Borrower in Canadian Dollars by way of Prime Rate Loans, Term CORRA Loans or Daily Compounded CORRA Loans. The amount of all such Loans outstanding at any time shall not exceed the lesser of the following:

- (i) the sum of the following amounts at such time expressed as the Equivalent Amount in Canadian Dollars thereof:
  - A. **[amount redacted]** percent (**[amount redacted]**%) of the face amount (not including any interest component) of Investment Grade Eligible Accounts; plus
  - B. **[amount redacted]** percent (**[amount redacted]**%) of the face amount (not including any interest component) of Eligible Accounts (other than Investment Grade Eligible Accounts); plus
  - C. **[amount redacted]** percent (**[amount redacted]**%) of the face amount (not including any interest component) of Unbilled Accounts; provided that, the amount as calculated under this subsection 2(b)(i)C shall not exceed the lesser of (x) \$ **[amount redacted]** and (y) an amount equal to **[amount redacted]**% of the total sum of the amounts calculated under subsections 2(b)(i)A and B; minus
  - D. such reserve amounts (without duplication) as the Lender elects to establish from time to time in the exercise of its reasonable discretion, including: (i) reserves in respect of Dilution which equals or exceeds (A) two and half percent (2.5%), in respect of Investment Grade Eligible

Accounts, and (B) five percent (5.0%), in respect of Eligible Accounts (other than Investment Grade Eligible Accounts), in each case, at any time; (ii) reserves on account of Priority Payables; (iii) reserves in respect of amounts relating to payments that may become owing to landlords that have not entered into a Collateral Access Agreement with the Lender in an amount equal to three (3) month's rent determined by the Lender with reference to the Real Property Lease with such landlord; (iv) reserves in respect of amounts relating to payments that may become owing to warehousemen or other Persons who store or warehouses any Collateral that have not entered into a Collateral Access Agreement with the Lender in an amount equal to an average of three (3) month's of fees payable to such warehousemen or other Person as determined by the Lender; (v) reserves in respect of amounts relating to all accrued and unpaid amounts owing to any Person who has possession of any Collateral (other than as provided in (iii) and (iv) above) that has not entered into a Collateral Access Agreement; (vi) 110% of any amounts advanced by the Lender in respect of any VISA facility; (vii) reserves in respect of cash management products or services provided by the Lender; and (viii) payables materially past their due date; minus

E. the amount of Hedging Reserves (except with respect to any Foreign Exchange Contracts for which (i) EDC Foreign Exchange Insurance has been obtained, and (ii) are not maturing within thirty (30) days); and minus

F. the L/C Liabilities; and

(ii) the Commitment minus the aggregate of all then outstanding L/C Liabilities and Hedging Reserves (except with respect to any Foreign Exchange Contracts for which (i) EDC Foreign Exchange Insurance has been obtained, and (ii) are not maturing within thirty (30) days).

(c) Hedging Instruments.

Subject to the terms and conditions of this Agreement, during the term of this Agreement, the Lender shall, absent the existence of a Default or an Event of Default, and at the sole discretion of the Lender, from time to time provide Hedging Instruments upon a request by Borrower, provided that, at no time shall any Hedging Obligations be outstanding such that the aggregate exposure under any outstanding Hedging Instruments, as determined by the Lender in accordance with its internal methodology from time to time, exceed One Million United States Dollars (U.S. \$1,000,000) or the Equivalent Amount in Canadian Dollars thereof. Each such Hedging Instrument shall be in form and substance acceptable to the Lender in its discretion. Interest Rate Swaps may not be entered into by Borrower and the Lender unless Borrower has entered into an ISDA Master Agreement with the Lender and shall not, in any event, have a term greater than thirty-six (36) months and for greater certainty may only be entered into in the Lender's sole discretion and credit approval. Foreign Exchange Contracts between the Borrower and the Lender shall not have an expiry date of more than twelve (12) months or more than three (3) years if an ISDA Master Agreement has been entered into by Borrower and the Lender. Notwithstanding the term of any Hedging Instrument provided by the Lender hereunder, the Lender shall be entitled to terminate, on the Maturity Date (or such earlier date as provided by this Agreement or any Hedging Instrument), any such Hedging Instruments having a maturity date extending beyond the Maturity Date and all such Hedging Instruments shall provide for such termination rights of the Lender, unless the Borrower arranges for the novation of such Hedging Instruments to a third party pursuant to documentation acceptable to the Lender, acting reasonably. The

maximum notional value of any Foreign Exchange Contracts which can mature on any given day is limited to One Million United States Dollars (U.S. \$1,000,000) or the Equivalent Amount in Canadian Dollars thereof.

(d) Loan Accounts.

The accounts or records maintained by the Lender shall be *prima facie* evidence, absent manifest error, of the amount of the Loans made by the Lender to the Borrower, and the interest and payments thereon. Any failure to record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Loans.

(e) Letters of Credit.

Subject to the terms and conditions of this Agreement and the Loan Documents, the Lender shall, absent the existence of a Default, from time to time issue or cause the issuance of, upon Borrower's request, Letters of Credit in Canadian Dollars; provided, that the aggregate amount of all outstanding L/C Liabilities shall at no time exceed Ten Million Canadian Dollars (Cdn. \$10,000,000), and provided, further that such Letters of Credit shall be in form and substance acceptable to the Lender in its discretion, and shall not have an expiry date more than three hundred sixty five (365) days from the date of issuance or beyond the date which is thirty (30) days prior to the Maturity Date. The Borrower's reimbursement obligation in respect of the Letters of Credit shall automatically reduce, in accordance with subsection 2(b), the amount which Borrower may borrow based upon the Commitment. Any unreimbursed payment made by the Lender to any Person on account of any Letter of Credit shall constitute a Loan hereunder, in the case of any unreimbursed payments in Canadian Dollars as a Prime Rate Loan (until any Conversion thereof permitted pursuant to the provisions hereof).

(f) Use of Loan Proceeds.

- (i) The Borrower shall use the proceeds of the Loans solely for the purpose of funding ongoing operational requirements, general corporate purposes of the Borrower and each other Loan Party and to pay all fees, costs and expenses incurred by the Borrower and each other Loan Party in connection with the transactions contemplated by this Agreement and the other Loan Documents.
- (ii) The Borrower shall only request an advance when the funds are intended to be used and will in fact be used strictly for the specific and legitimate business purposes described in this subsection 2(f)(ii).

**3. INTEREST; FEES; CHARGES; ILLEGALITY**

(a) Rates of Interest.

Interest accrued on all Loans shall be due and be paid by the Borrower on the earliest of: (i) each Interest Payment Date; (ii) the date of acceleration following the occurrence of an Event of Default in consequence of which the Lender elects to accelerate the Loans; (iii) termination of this Agreement pursuant to section 8 hereof; or (iv) in the event of any Conversion of any Term CORRA Loan or Daily

Compounded CORRA Loan, as applicable, prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such Conversion.

Interest shall accrue, and the Borrower shall pay, on the principal amount of the Loans made to the Borrower outstanding at the end of each day as follows:

- (i) in the case of Prime Rate Loans, in Canadian Dollars during each applicable Interest Period at a rate per annum equal to the sum of the Prime Rate in effect from time to time during that Interest Period, plus the Applicable Margin in respect of Prime Rate Loans;
- (ii) the Loans comprising each Term CORRA Borrowing shall bear interest at Adjusted Term CORRA for the Interest Period in effect for such Borrowing plus the Applicable Margin in respect of Term CORRA Loans; and
- (iii) the Loans comprising each Daily Compounded CORRA Borrowing shall bear interest at Adjusted Daily Compounded CORRA plus the Applicable Margin in respect of Daily Compounded CORRA Loans.

The rate of interest payable on Prime Rate Loans shall increase or decrease by an amount equal to any increase or decrease in the Prime Rate, effective as of the opening of business on the day that any such change in the Prime Rate occurs. Upon and following the occurrence of an Event of Default, and during the continuation thereof, the principal amount of all Loans shall bear interest payable on demand at a rate per annum equal to the rate of interest then in effect under this subsection 3(a) plus two percent (2%) per annum.

(b) Computation of Interest and Fees.

Interest hereunder shall be determined daily, and calculated monthly not in advance, both before and after default and judgment. In the case of Prime Rate Loans, interest shall be computed on the actual number of days elapsed during the applicable Interest Period over a year consisting of three hundred and sixty five (365) or three hundred sixty six (366), as the case may be, days. All interest payments to be made under this Agreement shall be paid without allowance or deduction for deemed re-investment or otherwise, both before and after maturity and before and after default and/or judgment, if any, until payment, and interest shall accrue on overdue interest, if any, compounded on each Interest Payment Date. Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest or rate of fees “per annum” or a similar expression is used, such interest or fees will be calculated on the basis of a calendar year of 365 days and using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed re-investment of interest. For the purposes of the *Interest Act* (Canada) and disclosure under such act, whenever interest to be paid under this Agreement is to be calculated on the basis of a year of 365 days or any other period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by either 365 or such other period of time, as the case may be. In calculating interest or fees payable under this Agreement for any period, unless otherwise specifically stated, the first day of a period shall be included and the last day of a period shall be excluded. Notwithstanding any other provision hereof, all determinations and calculations of interest rates and amounts hereunder by the Lender shall be conclusive evidence absent (in the case of any calculation of an amount based on a particular rate) manifest mathematical error in calculating such amount. For the purpose of computing interest hereunder, all items of payment received

by the Lender shall be deemed applied by the Lender on account of the related Loan (subject to final payment of such items) upon receipt by the Lender of good funds in the Loan Account.

(c) Maximum Interest.

In the event that any provision of this Agreement or any other Loan Document would oblige the Borrower or any other Loan Party to make any payment of interest or any other payment which is construed by a court of competent jurisdiction to be interest in an amount or calculated at a rate which would be prohibited by Law or would result in a receipt by the Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted *nunc pro tunc* to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Law or so result in a receipt by the Lender of interest at a criminal rate, such adjustment to be effected, to the extent necessary as follows:

- (i) firstly, by reducing the amount or rate of interest required to be paid under this Agreement; and
- (ii) thereafter by reducing any fees, commissions, premiums and other amounts required to be paid to the Lender which would constitute interest for the purposes of Section 347 of the *Criminal Code* (Canada).

If, notwithstanding the provisions of this subsection 3(c) and after giving effect to all adjustments contemplated thereby, the Lender shall have received an amount in excess of the maximum permitted by such clause, then such excess shall be applied by the Lender to the reduction of the principal balance of the outstanding Loans and not to the payment of interest, or if such excessive interest exceeds such principal balance, such excess shall be refunded to the Borrower.

(d) Closing Fee.

The Borrower shall pay to the Lender a non-refundable closing fee of \$[**amount redacted**].

(e) Unused Line Fee.

The Borrower shall pay to the Lender at the end of each month, in arrears, an unused line fee equal to [**amount redacted**] % per annum on the daily average amount by which the Commitment exceeds the sum of the outstanding principal balance of the Loans and the L/C Liabilities, all as defined in this Agreement (the "Unused Line Fee").

(f) Examination and Appraisal Fees.

In addition to the costs and expenses described in subsection 10(o) hereof, the Borrower shall pay to the Lender an examination fee equal to \$ [**redacted**] per person per day for any audit, inspection or other activity described in the first sentence of subsection 10(c) hereof and conducted or undertaken before or after the date of this Agreement, plus all reasonable out-of-pocket expenses incurred by the Lender including, without limitation, reasonable travel expenses, payable as incurred; provided that notwithstanding the foregoing, collateral audits, inspections and appraisals shall be scheduled no more frequently than two (2) times every twelve (12) months and more frequently during the occurrence and continuance of an Event of Default. The parties acknowledge that although such examination fees are currently \$[**redacted**] per person per day, the Borrower hereby agrees and acknowledges that such fees may change at any time upon prior written notice to the Borrower.

(g) Capital Adequacy Charge.

If the Lender shall have determined, acting reasonably, that the adoption of any Applicable Law, rule or regulation regarding capital adequacy, or any change therein or in the interpretation or application thereof, or compliance by the Lender with any request or directive regarding capital adequacy (whether or not having the force of Law) from any central bank or governmental authority enacted after the Original Closing Date, does or shall have the effect of reducing the rate of return on the Lender's capital as a consequence of its obligations hereunder to a level below that which the Lender could have achieved but for such adoption, change or compliance (taking into consideration the Lender's policies with respect to capital adequacy) by a material amount, then from time to time, after submission by the Lender to the Borrower of a written demand therefor (the "Capital Adequacy Demand") together with the certificate described below, the Borrower shall immediately pay to the Lender such additional amount or amounts (the "Capital Adequacy Charge") as will compensate the Lender for such reduction in respect of its Loans hereunder. A certificate of the Lender claiming entitlement to payment as set forth above shall be conclusive evidence in the absence of manifest error. Such certificate shall set forth the nature of the occurrence giving rise to such reduction, the amount of the Capital Adequacy Charge to be paid to the Lender, and the method by which such amount was determined. In determining such amount, the Lender may use any averaging and attribution method, applied on a non-discriminatory basis.

(h) Letter of Credit Fees.

The Borrower shall pay to the Lender a Letter of Credit fee (the "Letter of Credit Fee") calculated by multiplying the maximum face amount of the Letter of Credit issued for the account of the Borrower by the applicable Letter of Credit Fee Rate and then multiplying the result by a fraction the numerator of which is the number of days in the term of the relevant Letter of Credit and the denominator of which is three hundred sixty five (365) days which Letter of Credit Fee shall be payable upon and as a condition of issuance of such Letter of Credit; provided, however that such Letter of Credit Fee shall not be less than \$ [redacted] in respect of each Letter of Credit denominated in Canadian Dollars and U.S.\$ [redacted] in respect of each Letter of Credit denominated in United States Dollars. The Borrower shall also pay to the Lender on demand, the normal and customary administrative charges for issuance, amendments, negotiation, renewal or extension of any documentary Letters of Credit imposed by any correspondent bank issuing such documentary Letters of Credit.

(i) Compensation for Losses.

In the event of (a) the payment of any principal of any Term CORRA Loan or Daily Compounded CORRA Loan, as applicable, prior to the last day of an Interest Period (including as a result of an Event of Default), (b) the Conversion of any Term CORRA Loan or Daily Compounded CORRA Loan, as applicable, other than on the last day of the Interest Period, or (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto, then, in any such event, the Borrower shall, after receipt of a written request by the Lender (which request shall set forth in reasonable detail the basis for requesting such amount), compensate the Lender for the loss, cost and expense attributable to such event. A certificate of the Lender setting forth any amount or amounts that the Lender is entitled to receive pursuant to this subsection 3(i) delivered to the Borrower shall be presumptively correct absent manifest error. The Borrower shall pay the Lender the amount shown as due on any such certificate within ten (10) days after receipt of such demand.

(j) Inability to Determine Rates.

- (i) Subject to subsection 4(e), if, on or prior to the first day of any Interest Period for any Term CORRA Loan or Daily Compounded CORRA Loan, as applicable:

- A. the Lender determines (which determination shall be conclusive and binding absent manifest error) that “Adjusted Term CORRA” or “Adjusted Daily Compounded CORRA”, as applicable, cannot be determined pursuant to the definition thereof, for reasons other than a Benchmark Transition Event, or
- B. the Lender determines that for any reason in connection with any request for a Term CORRA Loan or Daily Compounded CORRA Loan, as applicable, or a conversion thereto or a continuation thereof that Term CORRA or Daily Compounded CORRA, as applicable, for any requested Interest Period with respect to a proposed Term CORRA Loan or Daily Compounded CORRA Loan, as applicable, does not adequately and fairly reflect the cost to the Lender of making and maintaining such Loan,

the Lender will promptly so notify the Borrower.

- (ii) Upon delivery of notice by the Lender to the Borrower under subsection 4(e)(i), any obligation of the Lender to make Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, and any right of the Borrower to continue Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, or to convert Prime Rate Loans to Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, shall be suspended (to the extent of the affected Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, or affected Interest Periods) until the Lender revokes such notice.
- (iii) Upon receipt of such notice by the Lender to the Borrower under subsection 4(e)(i),
  - A. (x) the Borrower may revoke any pending request for a borrowing of, Conversion of or Rollover of Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, (to the extent of the affected Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, or affected Interest Periods); (y) in respect of Term CORRA Loans, the Borrower may elect to convert any such request into a request for a Borrowing of or conversion to Daily Compounded CORRA Loans; or, failing such revocation or election, (z) the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Prime Rate Loans, in the amount specified therein; and
  - B. (x) in respect of Term CORRA Loans, the Borrower may elect to convert any outstanding affected Term CORRA Loans at the end of the applicable interest Period, into Daily Compounded CORRA Loans, and (y) otherwise, or failing such election, any outstanding affected Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, will be deemed to have been converted, at the end of the applicable Interest Period, into Prime Rate Loans. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to subsection 3(i).

(k) Illegality.

If, after the date of this Agreement, the adoption of or change to any Applicable Law, or any change in the interpretation or application thereof by any court or by any Governmental Authority, now or hereafter makes it unlawful or impossible for the Lender to make, fund or maintain the Loans or to give effect to its obligations in respect of the Loans, the Lender may, by written notice to the Borrower, declare its obligations under this Agreement to be terminated, whereupon the same shall forthwith terminate, and the Borrower shall prepay within the time required by such Law (or at the end of such longer period as the Lender at its discretion has agreed) the principal of all such Loans together with accrued interest, any Additional Compensation that may be applicable to the date of such payment and all breakage costs. If any such change shall only affect a portion of the Lender's obligations under this Agreement which is, in the opinion of the Lender and the Lender's counsel in their sole discretion, acting reasonably, severable from the remainder of this Agreement, so that the remainder of this Agreement may be continued in full force and effect without otherwise affecting any of the obligations of the Lender, the Borrower or any other Loan Party under this Agreement, the Lender shall only declare its obligations under that portion so terminated.

(l) Increased Costs.

(i) In the event of any change after the date of this Agreement in any Applicable Law or in the interpretation or application thereof by any court or by any Governmental Authority which now or hereafter:

- A. subjects the Lender to any Tax or changes the basis of taxation, or increases any existing Tax, on payments of principal, interest, fees or other amounts payable by the Borrower to the Lender under this Agreement or any other Loan Document (except for Taxes on the overall net income or capital of the Lender); or
- B. imposes, modifies or deems applicable any reserve, special deposit or similar requirements against assets held by, or deposits in or for the account of or loans by or any other acquisition of funds by, the Lender for the Loans; or
- C. impose on the Lender any other condition, cost or expense (other than any Tax) affecting this Agreement, Prime Rate Loans, Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, made by the Lender;

with the result of an increase in the cost to, or a reduction in the amount of principal, interest or other amount received or receivable by, or the effective return of, the Lender under this Agreement in respect of making, maintaining or funding such Loans, the Lender shall determine that amount of money which shall compensate the Lender for such increase in cost or reduction in income (in this Agreement referred to as "Additional Compensation"), and the Borrower will pay to the Lender such Additional Compensation.

(ii) Upon the Lender having determined that it is entitled to Additional Compensation the Lender shall promptly notify the Borrower. The Lender shall provide to the Borrower a copy of the relevant Applicable Law, and a certificate of the Lender setting forth the Additional Compensation and the basis of calculation therefor, which shall be conclusive evidence of such Additional Compensation in the absence of manifest error. The Borrower shall pay to the Lender within ten (10)

Business Days of the giving of such notice the Lender's Additional Compensation calculated to the date of such notification. The Lender shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this subsection 3(l) are then applicable, notwithstanding that the Lender has previously been paid Additional Compensation. The Lender shall endeavour to limit the incidence of any Additional Compensation, including seeking recovery for the account of the Borrower, by appealing any assessment at the expense of the Borrower upon the request of the Borrower.

#### 4. LOAN ADMINISTRATION; TAXES

##### (a) Availment Options

Prime Rate Borrowings, Daily Compounded CORRA Borrowings and Term CORRA Borrowings shall be available to the Borrower, pursuant to the terms of this Agreement.

##### (b) Loan Requests; Conversions and Rollovers.

(i) Subject to the provisions hereof, the Borrower may make a request for a Loan in the following manner, the Borrower shall give the Lender:

- A. in the case of Prime Rate Loans, same day notice, no later than 12:00 p.m. (Toronto time) on such day, of its intention to borrow a Prime Rate Loan;
- B. in the case of a Term CORRA Borrowing, notice no later than 12:00 p.m., Toronto time, three (3) Business Days before the date of the proposed Borrowing (or, in the case of any Term CORRA Borrowing to be made on the Closing Date, such shorter period of time as may be agreed to by the Lender); or
- C. in the case of a Daily Compounded CORRA Borrowing, notice no later than 12:00 p.m., Toronto time, three (3) Business Days before the date of the proposed Borrowing (or, in the case of any Daily Compounded CORRA Borrowing to be made on the Closing Date, such shorter period of time as may be agreed to by the Lender),

which notice shall be substantially in the form of Exhibit 5(a)(i)A hereto in the case of all Loans (a "Notice of Borrowing"). If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be a Prime Rate Borrowing.

(ii) Subject to the provisions hereof, the Borrower may make a request for a Conversion in the following manner: the Borrower shall give the Lender notice no later than 12:00 p.m. (Toronto time) three (3) Business Days prior to its intention to request a Conversion of any Type of Loan with another Type of Loan, which notice will be substantially in the form of Exhibit 5(a)(ii) hereto (a "Conversion Notice"). The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case the Loans comprising each such portion shall be considered a separate Borrowing.

- (iii) Subject to the provisions hereof, the Borrower may make a request for a Rollover in the following manner: the Borrower shall give notice to the Lender no later than 12:00 p.m. (Toronto time) three (3) Business Days prior to its intention to request a Rollover of any CORRA Borrowing, which notice will be substantially in the form of Exhibit 5(a)(iii) hereto (a “Rollover Notice”).
- (iv) Notwithstanding any contrary provision hereof, no request under subsection 4(b)(i), (ii) or (iii) may be made at a time when there exists a Default or an Event of Default that is continuing. If an Event of Default has occurred and is continuing then, so long as an Event of Default is continuing, (i) no outstanding Borrowing may be converted to or continued as a Term CORRA Borrowing or Daily Compounded CORRA Borrowing and (ii) unless repaid, each Term CORRA Borrowing and Daily Compounded CORRA Borrowing, as applicable, shall be converted to a Prime Rate Borrowing at the end of the Interest Period applicable thereto.
- (v) If the Borrower fails to deliver a timely Conversion Notice with respect to a Term CORRA Borrowing or Daily Compounded CORRA Borrowing, as applicable, prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Prime Rate Borrowing.
- (vi) The coming due of any amount required to be paid under this Agreement or any note, whether on account of interest or for any other liability, shall be deemed irrevocably to be a request for a Prime Rate Loan on the due date thereof in the amount required to pay such interest or other liability. In addition to the foregoing, each cheque presented for payment against any disbursement accounts of the Borrower, and any other charge or request for payment against such disbursement accounts, shall be deemed irrevocably to be a request for a Prime Rate Loan on the date thereof in the amount required to pay any such cheque, charge or request for payment.
- (vii) If no Interest Period is specified with respect to any requested Term CORRA Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one (1) month’s duration.
- (viii) As an accommodation to the Borrower, the Lender may permit electronic requests for Loans and electronic transmittal of instructions, authorizations, agreements or reports to the Lender and the Lender shall be entitled to rely upon such electronic transmittals. Unless the Borrower specifically direct the Lender in writing not to accept or act upon telephonic or electronic communications, the Lender shall have no liability to the Borrower or any other Loan Party for any loss or damage suffered as a result of the Lender’s honouring of any requests, execution of any instructions, authorizations or agreements or reliance on any reports communicated to it telephonically or electronically and purporting to have been sent to the Lender by the Borrower and the Lender shall have no duty to verify the origin of any such communication or the authority of the Person sending it.
- (ix) Each Notice of Borrowing, Conversion Notice or Rollover Notice shall be irrevocable by and binding on the Borrower.

- (x) If the Borrower specifies in the Conversion Notice or Rollover Notice an effective date for an election made pursuant to such Conversion Notice or Rollover Notice that is a day other than the last day of the applicable Interest Period, the Borrower shall be required to pay to the Lender breakage fees pursuant to subsection 3(i). The Borrower shall not specify such an effective date as a day other than the last day of the applicable Interest Period more than two (2) times per annum.
- (xi) At the time that each Prime Rate Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiples of Cdn. \$100,000 and not less than Cdn. \$100,000.

(c) Letter of Credit Requests.

Each Letter of Credit shall be issued upon the irrevocable written request of the Borrower (each a “Letter of Credit Request”) at least three (3) Business Days prior to the proposed date of issuance. Each Letter of Credit Request shall be sent in accordance with the notice provisions hereof, confirmed immediately in writing, in the form of a Letter of Credit application satisfactory to the Lender in its discretion, and shall specify in form and detail satisfactory to the Lender: (i) the proposed date of issuance of the Letter of Credit (which shall be a Business Day); (ii) the face amount of the Letter of Credit; (iii) the expiry date of the Letter of Credit; (iv) the name and address of the beneficiary thereof. Each Letter of Credit Request shall be accompanied by an application and indemnity in form and substance satisfactory to the Lender in its discretion.

(d) Disbursement.

The Borrower hereby irrevocably authorize the Lender to disburse the proceeds of each Loan requested by the Borrower, or deemed to be requested by the Borrower and to be disbursed or paid by the Lender, as follows: (i) the proceeds of each Loan requested under subsection 4(b)(i)A and to be disbursed or paid by the Lender, shall be disbursed by the Lender in Canadian Dollars in immediately available funds, in the case of the initial Borrowing, in accordance with the terms of the Notice of Borrowing, and in the case of each subsequent Borrowing, by wire transfer or otherwise to such bank account as may be agreed upon by the Borrower and the Lender from time to time; and (ii) the proceeds of each Loan deemed requested pursuant to subsection 4(a) shall be disbursed by the Lender by way of direct payment of the relevant interest or other liability.

(e) Canadian Benchmark Replacement Setting

- (i) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (Toronto time) on the fifth (5th) Business

Day after the date notice of such Benchmark Replacement is provided to the Borrower without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Lender has not received, by such time, written notice of objection to such Benchmark Replacement from the Borrower. If the Benchmark Replacement is Adjusted Daily Compounded CORRA, all interest payments will be payable on the last day of each Interest Period. No Hedging Instruments shall be deemed to be a “Loan Document” for the purposes of this subsection 4(e).

- (ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.
- (iii) Notices; Standards for Decisions and Determinations. The Lender will promptly notify the Borrower of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Lender will notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to subsection 4(e)(iv) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Lender pursuant to this subsection 4(e) including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this subsection 4(e).
- (iv) Unavailability of Tenor Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term CORRA) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Lender may modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Lender may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

- (v) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Loans, which are of the Type that have a rate of interest determined by reference to the then-current Benchmark, to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to, (i) for a Benchmark Unavailability Period in respect of Term CORRA, Daily Compounded CORRA Loans, and (ii) for a Benchmark Unavailability Period in respect of a Benchmark other than Term CORRA, Prime Rate Loans.

(f) Application of Payments.

All payments received by the Lender on account of Loans shall be applied by the Lender against any Liabilities in respect of Loans in such order as the Lender shall determine in its reasonable discretion; provided that, prior to an Event of Default, the Lender shall apply proceeds and collections received (i) firstly, to pay all fees or expenses incurred or payable to the Lender hereunder; (ii) secondly, to the payment of any interest outstanding under the Liabilities; (iii) thirdly, to the payment of principal outstanding under the Loans; and (iv) lastly, to the payment of any other outstanding Liabilities under this Agreement.

(g) Method and Place of Payment.

All payments by the Borrower hereunder or under any other Loan Documents shall be made to the Lender at the Lender's Branch no later than 1:00 p.m. (Toronto time) for value on the date when due, and shall be made in immediately available funds without set-off or counterclaim. Any payments received by the Lender after such time shall be deemed to have been received on the next succeeding Business Day.

(h) Net of Taxes.

All payments to be made to the Lender under this Agreement or the other Loan Documents shall be made free and clear of, and without reduction for or on account of, any present or future Taxes; provided, however, if any Taxes are required by Applicable Law or the interpretation or application thereof by any court or Governmental Authority to be withheld from any interest or other amount payable to the Lender under this Agreement or any other Loan Document, the amount so payable to the Lender shall be increased to the extent necessary to yield to the Lender, on a net basis after payment of all Taxes (including all Taxes imposed on any additional amounts payable under this subsection 4(h)), interest or any such other amount payable under this Agreement or any other Loan Document at the rate or in the amount specified under this Agreement or any other Loan Document. The Borrower shall be fully liable and responsible for and shall, promptly following receipt of a request from the Lender, pay to the Lender, any and all Taxes in the nature of sales, use, and goods and services Taxes payable under the laws of Canada or any Province of Canada, or payable under the laws of any other country or jurisdiction with respect to any and all goods and services made available under this Agreement or any other Loan Document to the Borrower by the Lender. Whenever any Taxes are payable by the Borrower, as promptly as possible thereafter that the Borrower shall send or cause to be sent to the Lender, a certified copy of an original official receipt showing payment of such Taxes. If the Borrower fails to pay any Taxes when due or if the Borrower fails to remit to the Lender the required documentary evidence of such payment, the Borrower shall indemnify and save harmless the Lender from any Taxes or other liabilities that may become payable by the Lender or to which the Lender may be subjected as a result of any such failure. A certificate of the Lender as to the amount of

any such Taxes and containing details of the calculation of such Taxes shall be, absent manifest error, conclusive evidence of the amount of such Taxes.

## 5. SECURITY

### (a) Security.

Without limiting subsection 11(a)(v) hereof, as security for the payment of all Liabilities of the Borrower, each of the Borrower and each other Loan Party, as applicable, agrees to deliver, or cause to be delivered, to the Lender each of the following:

- (i) an acknowledgement and confirmation of and amendments to guarantees and security agreements from the Loan Parties in respect of the guarantees and security previously granted in favour of the Lender, including, but not limited to, pursuant to the Original Credit Agreement, and as set out in Schedule 13(a)(iii) hereto; and
- (ii) such other security and supporting documents, certificates or instruments in respect of the Borrower and the other Loan Parties (including third party postponement and subordinations (including, without limitation, any other intercreditor agreement), and any other landlord and mortgagee waivers) as may be reasonably requested by the Lender from time to time.

## 6. COLLECTIONS

### (a) Blocked Accounts and Lock Boxes.

So long as no Cash Dominion Trigger Event has occurred and is continuing, the Borrower and each other Loan Party shall collect and enforce all of its Accounts in accordance with current practices. In furtherance thereof, the Borrower and each other Loan Party shall establish U.S. Dollar and/or Canadian Dollar accounts with the Lender (each a "Blocked Account"), into which the Borrower and each other Loan Party will immediately deposit all payments received by the Borrower and each other Loan Party (including all payments made for Inventory or services sold or rendered by any of them), in the identical form in which such payments were made, whether by cash or cheque, and, in the case of the Permitted Bank Account, shall immediately transfer and or sweep any funds deposited therein to a Blocked Account maintained with Lender, until such time as the Permitted Bank Account is closed in accordance with subsection 10(p) below.

Upon and during the continuance of a Cash Dominion Trigger Event, the Borrower and each other Loan Party shall direct all of its Account Debtors that are paying by cheque to make all payments on the Accounts directly to a post office box (each a "Lock Box") with a financial institution acceptable to, and in the name and under exclusive control of, the Lender. All payments received in the Lock Box shall be deposited in the Blocked Account. Upon and during the continuance of a Cash Dominion Trigger Event, if the Borrower, any other Loan Party, any Affiliate or Subsidiary of the Borrower (other than Excluded Subsidiaries) or any other Loan Party, or any shareholder, officer, director, employee or agent of the Borrower or any Affiliate or Subsidiary (except in respect of the Excluded Subsidiaries), or any other Person acting for or in concert with the Borrower or any other Loan Party shall receive any monies, cheques, notes, drafts or other payments relating to or as proceeds of Accounts or other Collateral, the Borrower, any such other Loan Party and each such Person shall, subject to the provisions of the Intercreditor Agreement, receive all such items in trust for, and as the sole and exclusive property of, the Lender and, immediately upon receipt thereof, shall remit the same (or cause the same to be remitted) in kind to the appropriate Blocked Account. Each financial institution with which a Lock Box and Blocked Account (other than a Lock Box or Blocked Account with the Lender, which for greater certainty shall remain under the exclusive

control of the Lender) are to be established shall enter into a Blocked Account Agreement with the Lender pursuant to which it shall acknowledge and agree, in a manner reasonably satisfactory to the Lender, that the amounts on deposit in such Lock Box and Blocked Account, upon the occurrence and during the continuance of a Cash Dominion Trigger Event, are the sole and exclusive property of the Lender (subject to the provisions of the Intercreditor Agreement), that such financial institution has no right to set off against such Lock Box or Blocked Account or against any other account maintained by such financial institution into which the contents of such Blocked Account are transferred, and that such financial institution shall wire, or otherwise transfer in immediately available funds in a manner reasonably satisfactory to the Lender, funds deposited in the Blocked Account on a daily basis as such funds are collected. Except as otherwise agreed by the Lender, the Borrower and each other Loan Party agrees that all payments made to each Blocked Account established by the Borrower or any other Loan Party or otherwise received by the Lender, whether in respect of the Accounts of the Borrower or any other Loan Party or as proceeds of other Collateral of the Borrower or any other Loan Party or otherwise, will, subject to the provisions of the Intercreditor Agreement, be applied on account of the Liabilities of the Borrower in accordance with the terms of this Agreement. The Borrower and each other Loan Party agrees to pay all fees, costs and expenses which such parties incur in connection with opening and maintaining Lock Boxes and Blocked Accounts. All of such fees, costs and expenses which remain unpaid by the Borrower or any other Loan Party pursuant to any Blocked Account Agreement, to the extent same shall have been paid by the Lender hereunder, shall constitute Loans hereunder, shall be payable to the Lender by the Borrower upon demand, and, until paid, shall bear interest at the highest rate then applicable to the Loans hereunder. All cheques, drafts, instruments and other items of payment or proceeds of Collateral delivered to the Lender in kind shall, subject to the provisions of the Intercreditor Agreement, be endorsed by the Borrower or any other Loan Party, as applicable, to the Lender, and, if that endorsement of any such item shall not be made for any reason, the Lender is hereby irrevocably authorized to endorse the same on the Borrower's or such other Loan Party's behalf. For the purpose of this paragraph, the Borrower and each other Loan Party irrevocably hereby make, constitute and appoint the Lender (and all Persons designated by the Lender for that purpose) as such parties' true and lawful attorney and agent-in-fact (i) to endorse the Borrower's or such other Loan Party's name upon said items of payment and/or proceeds of Collateral of the Borrower or of any other Loan Party and upon any Chattel Paper, document, instrument, invoice or similar document or agreement relating to any Account of the Borrower or of any other Loan Party or goods pertaining thereto; (ii) to take control in any manner of any item of payment or proceeds thereof; (iii) to have access to any lock box or postal box into which any of the Borrower's or any other Loan Party's mail is deposited; and (iv) open and process all mail addressed to the Borrower or any other Loan Party and deposited therein; provided, however, that the Lender shall not exercise any such powers described in subparagraphs (i), (ii) (except for routine Lock Box payments/proceeds or through any Blocked Account), (iii) and (iv) unless and until a Cash Dominion Trigger Event has occurred and is continuing.

(b) Rights of the Lender.

The Lender may, at any time after the occurrence of an Event of Default that is continuing, and from time to time thereafter for so long as such Event of Default has not been cured by the Borrower or waived by the Lender in writing, whether before or after notification to any Account Debtor and whether before or after the maturity of any of the Liabilities, (i) enforce collection of any of the Borrower's or any other Loan Party's Accounts or contract rights by suit or otherwise; (ii) exercise all of the Borrower's or any other Loan Party's rights and remedies with respect to proceedings brought to collect any Accounts; (iii) surrender, release or exchange all or any part of any Accounts of the Borrower or of any other Loan Party, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder; (iv) sell or assign any Account of the Borrower or of any other Loan Party upon such terms, for such amount and at such time or times as the Lender deems advisable; (v) prepare, file and sign the Borrower's or any other Loan Party's name on any proof of claim in bankruptcy or other similar document against any Account Debtor indebted on an Account of the Borrower or of any other Loan

Party; and (vi) do all other acts and things which are necessary, in the Lender's discretion, to fulfill the Borrower's or any other Loan Party's obligations under this Agreement and to allow the Lender to collect the Accounts. In addition to any other provision hereof, the Lender may at any time on or after the occurrence of an Event of Default that is continuing, at the Borrower's expense, notify any parties obligated on any of the Accounts of the Borrower or of any other Loan Party to make payment directly to the Lender of any amounts due or to become due thereunder.

(c) Application of Collections.

Subject to subsection 4(f), the Lender shall, upon receipt by the Lender at its office in Toronto, Ontario of cash or other immediately available funds from collections of items of payment and proceeds of any Collateral, apply the whole or any part of such collections or proceeds against the Liabilities in such order as the Lender shall determine in its discretion.

(d) Dealings by the Lender.

In its sole credit judgment, without waiving or releasing any obligation, liability or duty of the Borrower or of any other Loan Party under this Agreement or the Loan Documents or any Event of Default, at any time or times hereafter, the Lender may (but shall not be obligated to) pay, acquire or accept an assignment of any Lien asserted by any Person in, upon or against the Collateral or to pay any obligation owing by the Borrower or by any other Loan Party. All sums paid by the Lender in respect thereof and all costs, fees and expenses (including, without limitation, legal fees and disbursements (on a solicitor-client basis) for outside counsel, all court costs and all other charges relating thereto) incurred by the Lender shall constitute Loans, payable by the Borrower to the Lender on demand and, until paid, shall bear interest at the highest rate then applicable to Loans hereunder.

(e) Receipts by Borrower.

Immediately upon the Borrower's or any other Loan Party's receipt of any portion of the Collateral consisting of an Instrument (other than cheques received by a Loan Party, which will be deposited into a Blocked Account), Document of Title or Chattel Paper, the Borrower or any such other Loan Party, as the case may be, shall deliver the original thereof to the Lender together with an appropriate endorsement or other specific evidence of assignment thereof to the Lender (in form and substance acceptable to the Lender). If an endorsement or assignment of any such items shall not be made for any reason, the Lender is hereby irrevocably authorized, as the Borrower's or any other Loan Party's attorney and agent-in-fact, to endorse or assign the same on the Borrower's or such other Loan Party's behalf.

## 7. SCHEDULES AND REPORTS

(a) Activity Reports.

The Borrower shall deliver to the Lender prior to any Borrowing, and in any event monthly concurrently with delivery of the Borrowing Base Certificate delivered in accordance with Section 7(b), and during the continuance of a Cash Dominion Trigger Event, weekly, (subject to more frequent reporting at the Lender's discretion) by email at an email address in accordance with subsection 15(a) hereof or as otherwise advised by the Lender from time to time, a report, substantially in the form of Exhibit 8(a) hereto (the "Collateral Loan Report"), of the Borrower's and any other Loan Party's invoice activity and details of credit memos and credit notes issued by the Borrower or any other Loan Party, a schedule showing cash receipts, all for the previous week or such other lesser period and, as the Lender may request, supporting purchase orders, proof of delivery and other information requested by the Lender in respect of any invoices.

(b) Borrowing Base Certificate.

Within [redacted]days after the close of each calendar month, and during the continuance of a Cash Dominion Trigger Event, within [redacted]Business Days after the end of each calendar week, and at such other times as may be requested by the Lender from time to time hereafter in the Lender's reasonable discretion, the Borrower shall deliver to the Lender a certificate for such month, which shall include calculations of the Borrowing Base (excluding reserves but including calculations of Eligible Accounts) substantially in the form of Exhibit 8(b) hereto (a "Borrowing Base Certificate"), and shall also deliver to the Lender (and electronically to Collateral Services Inc. at [tdaf@collateral-services.com](mailto:tdaf@collateral-services.com) with a copy to [td.af-analyst@td.com](mailto:td.af-analyst@td.com) in the case of accounts payable and Accounts trial balances) (i) an aged trial balance of the Borrower's and any other Loan Party's accounts payable as of the end of such month, together with a listing of any cheques prepared but not sent in respect of any accounts payable, (ii) a report substantially in the form of Exhibit 8(b)(ii) hereto in respect of all statutory payables coming due during such month from the Borrower or any other Loan Party, identifying all such payables by type and amount and indicating date of payment of each, such payables to include unemployment insurance, Canada Pension Plan and income tax employee withholdings, harmonized sales taxes (including goods and services and retail sales taxes), and all other payables in respect of which any statutory lien or trust arises (a "Statutory Payables Report"), and (iii) a trial balance identifying by age each Account of the Borrower and of any other Loan Party, a reconciliation thereof to the above Borrowing Base calculations, and copies of the invoices when requested by the Lender (with evidence of shipment attached) pertaining to each such Account, for the period (or other applicable period) immediately preceding. For purposes of calculating Excess Availability and the amount of the Borrowing Base relating thereto, the Lender 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 and other Loan Parties' outstanding debt which is not current, in the reasonable discretion of the Lender (in accordance with its terms of payment as verified by the Lender) or which is past due as of such date of determination, to the extent thereof, and a reserve in an aggregate amount based on outstanding cheques issued by the Borrower and any other Loan Parties, to the extent thereof. At such times as may be requested by the Lender from time to time hereafter, the Borrower shall deliver to the Lender: (x) copies of all account statements received in respect of the Borrower's or any other Loan Party's chequing and any other accounts held with any financial institution, if any and if permitted by the Lender; (y) such additional schedules, certificates, reports and information with respect to the Collateral as the Lender may from time to time, require and (z) a collateral assignment of any or all items of Collateral. The Lender, through its officers, employees or agents, shall have the right, acting reasonably, at any time and from time to time in the Lender's name, in the name of a nominee of the Lender or in the Borrower's or any other Loan Party's name, to verify the validity, amount or any other matter relating to any of the Borrower's or any other Loan Party's Accounts, by mail, telephone, telegraph or otherwise. The Borrower shall reimburse the Lender, on demand, for all costs, fees and expenses incurred by the Lender in this regard.

(c) Financial Reports.

The Borrower agrees to deliver to the Lender the following financial information, all of which shall be prepared in accordance with GAAP consistently applied:

- (i) no later than [redacted]days after each Fiscal Quarter End, copies of internally prepared financial statements of the Loan Parties on a consolidated basis, on a month and year-to-date basis with a comparison to the prior year and budget including, without limitation, balance sheets and statements of income, retained earnings and cash flow certified by an Authorized Officer of the Borrower and accompanied by a certificate by such officers to the Lender substantially in the form of Exhibit 8(d)(i) hereto (the "Financial Reporting Certificate");

- (ii) no later than [redacted] days after the end of each month, and during the continuance of a Cash Dominion Trigger Event on a weekly basis, no later than [redacted] Business Days after the end of each calendar week, a Borrowing Base Certificate signed by an Authorized Officer the prior month, together with up to date aged accounts receivable, aged accounts payable and inventory listings;
  - (iii) no later than [redacted] days after the end of each month, copies of internally prepared financial statements of the Loan Parties, on a consolidated basis, on a month and year-to-date basis with a comparison to the prior year, including, without limitation, balance sheets and statements of income, retained earnings and cash flow certified by an Authorized Officer of the Borrower;
  - (iv) no later than [redacted] days after the end of each month, and during the continuance of a Cash Dominion Trigger Event on a weekly basis, no later than [redacted] Business Days after the end of each calendar week, the Borrower shall deliver to the Lender a certificate covering the previous week, a Collateral Loan Report signed by an Authorized Officer;
  - (v) no later than [redacted] days after the first day of each Fiscal Year End, annual business plan prepared by the management of the Borrower, with consolidated balance sheets and statements of income or operations and cash flows for the Loan Parties, on a consolidated basis, for the following Fiscal Year, including any anticipated Capital Expenditures, estimated Excess Availability and the Fixed Charge Coverage Ratio for that Fiscal Year; and
  - (vi) no later than [redacted] days after the end of the applicable Fiscal Year End for each Loan Party, annual audited consolidated financial statements for the Loan Parties, together with an accompanying audit opinion of independent chartered accountants satisfactory to the Lender together with such accountants' report thereon to management if such is made.
- (d) Authorized Officer.

Unless otherwise provided for herein, all schedules, certificates, reports and assignments and other items delivered by the Borrower to the Lender hereunder shall be executed by an Authorized Officer and shall be in such form and contain such information as the Lender shall reasonably request. The Borrower shall deliver from time to time such other schedules and reports pertaining to the Collateral of the Borrower and of any other Loan Party, and all such other financial information, as the Lender may reasonably request.

## **8. TERMINATION**

- (a) Survival of Security Interests, Liens, etc.

This Agreement shall be in effect from the date hereof until the Maturity Date (the "Term") unless the due date of the Liabilities is accelerated pursuant to section 13 hereof in which event this Agreement shall terminate on the date thereafter that the Liabilities are paid in full, provided, however, that the Liens created under the Collateral Documents, this Agreement and the Loan Documents shall survive such termination until the date upon which full and final payment and satisfaction in full of the Liabilities shall have occurred. At such time as the Borrower has repaid all of the Liabilities and this Agreement has terminated:

(i) the Borrower shall:

(a) if it is obtaining new financing from another lender, deliver such indemnifications of the Lender as reasonably required, in form and substance satisfactory to the Lender, or

(b) shall provide cash collateral or such other security in form and substance satisfactory to the Lender,

for cheques which the Lender has credited to the Borrower's account held at the Lender, but which subsequently are dishonoured for any reason, and

(ii) upon the Borrower's request and upon receipt of the indemnification and/or cash collateral described in subparagraph (i) above, the Lender shall deliver to the Borrower a release in form and substance satisfactory to the Lender, acting reasonably.

(b) Prepayment.

The Borrower shall have the right, at any time and from time to time prior to the Maturity Date, upon not less than thirty (30) days prior written notice to the Lender, to terminate this Agreement and/or cancel, reduce and/or terminate the Commitment (in excess of regularly scheduled payments). If the Borrower terminates this Agreement and/or cancels, reduces and/or terminates the Commitment at any time prior to the Maturity Date, the Borrower agrees to pay to the Lender, as a prepayment fee, in addition to the payment of all other Liabilities owing by the Borrower (in the case of any such termination or cancellation), an amount equal to **[amount redacted]** percent (**[amount redacted]**%) of the amount of the Commitment canceled, reduced and/or terminated; provided that the foregoing prepayment fee shall not be payable by the Borrower if the Liabilities hereunder are being refinanced by another division of the Lender; and provided further that, notwithstanding the foregoing, the Borrower shall have the right to reduce the Commitment to an amount not less than Ten Million Canada Dollars (Cdn. \$10,000,000) without the payment of any of the foregoing prepayment fee.

The Borrower and the Lender acknowledge and agree that, as a direct and proximate result of termination of this Agreement under the aforesaid circumstances, or prepayment otherwise, the Lender will suffer loss in an amount which is difficult to calculate and determine with certainty and, therefore, as a result of the Borrower's and the Lender's endeavour to ascertain and agree in advance to the amount necessary to compensate the Lender for said loss, the Borrower has agreed to pay the aforesaid prepayment and other fees set out herein.

## **9. REPRESENTATIONS AND WARRANTIES**

The Borrower and each other Loan Party, jointly and severally, hereby make the following representations, warranties and covenants to the Lender and hereby acknowledge that the Lender is relying upon the following in connection with the transactions contemplated by this Agreement:

(a) Organization.

Borrower is a corporation duly incorporated and subsisting under the laws of the Province of Alberta. Each Subsidiary of the Borrower and each other Loan Party is a corporation duly incorporated (or amalgamated, continued or formed, as the case may be) and organized and validly existing under the laws of its jurisdiction of incorporation (or amalgamation, continuation or formation, as the case may be), in each case, as set forth in Schedule 11(i) hereto. Each of the Borrower, each other Loan Party and each of

their respective Subsidiaries has all requisite capacity, power and authority to own, hold under licence or lease its properties necessary for the conduct of its business and to carry on its business, in each case, as currently conducted except where the failure to so qualify would not have a Material Adverse Effect. The Borrower shall notify the Lender in writing not less than ten (10) Business Days prior to the change of its name or that of any other Loan Party or any of their respective Subsidiaries or the use of any trade names or division names not previously disclosed to the Lender in writing.

(b) Head Office.

The Borrower's head office is located in the Province of Alberta.

(c) Authority and Conflict.

The Borrower and each other Loan Party has the right and power and is duly authorized and empowered to enter into, execute and deliver this Agreement and the Loan Documents to which it is a party and perform its obligations hereunder and thereunder as applicable. The execution, delivery and performance of this Agreement and the Loan Documents does not and shall not, in any material respect, conflict with the provisions of the Constatng Documents of each Loan Party party thereto or any statute, regulation, ordinance or rule of Law, or any material agreement, contract or other document which may now or hereafter be binding on the Borrower any other Loan Party or any of their respective Subsidiaries, and the execution, delivery and performance of this Agreement and the Loan Documents, as applicable, shall not result in the imposition of any Lien or other encumbrance upon any of the property of the Borrower any other Loan Party or any of their respective Subsidiaries under any existing indenture, mortgage, deed of trust, loan or credit agreement or other agreement or instrument by which any of them or any of their property may be bound or affected. This Agreement and each of the other Loan Documents have been duly executed and delivered by each Loan Party party thereto. No consent, approval, authorization or other order or other action by and no notice to or filing with any Governmental Authority or any other Person is required for the execution, delivery or performance of this Agreement and each other Loan Document to which each Loan Party is a party.

(d) Enforceability.

This Agreement and the Loan Documents to which the Borrower or any other Loan Party is a party are the legal, valid and binding obligations of the Borrower and such other Loan Party as applicable and are enforceable against the Borrower and such other Loan Party as applicable in accordance with their respective terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting the rights of creditors generally, the fact that specific performance and injunctive relief may only be given at the discretion of the courts, and the equitable or statutory powers of the courts to stay proceedings before them and to stay the execution of judgments.

(e) Compliance with Laws and Permits.

The Borrower, each of the other Loan Parties and each of their respective Subsidiaries has obtained all licenses, authorizations, approvals and permits required in their respective businesses except where the failure to do so would not have a Material Adverse Effect, and the Borrower, each other Loan Party and each of their respective Subsidiaries is and shall remain in compliance in all material respects with all Applicable Laws (including, without limitation, statutes, orders, regulations, rules and ordinances relating to taxes, employer and employee contributions and similar items, securities, employee retirement and welfare benefits, employee health and safety or environmental matters), except to the extent failure to

so comply would not have a Material Adverse Effect with respect to the Borrower, any other Loan Party or any of their respective Subsidiaries.

(f) Financial Statements and Other Information.

The financial statements delivered or to be delivered by the Borrower to the Lender at or prior to the date of this Agreement and at all times subsequent thereto accurately reflect in all material respects the financial condition of the Borrower, each other Loan Party and each of their respective Subsidiaries on a consolidated basis for which such statements are delivered, and since the date of such financial statements delivered to the Lender most recently prior to the date of this Agreement, no event or condition has occurred which has had, or is reasonably likely to have, a Material Adverse Effect with respect to the Borrower, any other Loan Party and any of their respective Subsidiaries on a consolidated basis.

(g) Litigation.

Except as otherwise disclosed on Schedule 10(g), there are no actions or proceedings which are pending or, to the best of the Borrower's or any other Loan Party's knowledge, threatened against the Borrower, any other Loan Party or any of their respective Subsidiaries which if determined adversely against any of them would as of the Closing Date expose any of them to present or future liability in excess of \$ **[redacted]** in the aggregate or at any time after the Closing Date, would have a Material Adverse Effect, and the Borrower and each other Loan Party shall, and each of them shall cause each of their respective Subsidiaries to, promptly upon becoming aware of any such pending or threatened action or proceeding in excess of \$ **[redacted]** in the aggregate, give written notice thereof to the Lender.

(h) Settlements

There are no monetary settlements in respect of any action, claim or proceedings advanced by a third party which are pending or being negotiated by the Borrower or any other Loan Party, as of the Closing Date, in excess of \$ **[redacted]**, and the Borrower and each other Loan Party shall promptly, upon entering into any settlement discussions with any third party that could result in the Borrower or other Loan Party making a monetary contribution or payment in excess of \$ **[redacted]**, give written notice thereof to the Lender.

(i) No Default.

None of the Borrower, any other Loan Party or any of their respective Subsidiaries is in default under any material contract, lease or commitment to which it is a party or by which it is bound, nor does the Borrower know of any dispute regarding any contract, lease or commitment which is material to the continued financial success and well-being of any of them and which would have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing or would reasonably be expected to occur immediately following the Closing Date and a drawdown hereunder.

(j) Qualification in Jurisdictions.

The Borrower, each other Loan Party and each of their respective Subsidiaries has, and shall at all times have, in place a duly constituted board of directors or single director overseeing its affairs, is not and shall not be at any time subject to a shareholder agreement or declaration adversely affecting the ability of the Borrower or any other Loan Party to perform its obligations under this Agreement or any other Loan Document or which is contrary or inconsistent with any term, provision or condition contained in this Agreement or in any other Loan Document, unless otherwise agreed to in writing by the Lender, and is duly qualified and in good standing in all provinces, states or other jurisdictions where the nature and extent of

the business transacted by it or the ownership of its assets makes such qualification necessary, except for such other provinces, states or other jurisdictions in which the failure to so qualify would not have a Material Adverse Effect with respect to any of them.

(k) Subsidiaries and Affiliates.

Except as otherwise disclosed on Schedule 10(k) on the date hereof, or as disclosed in any updated schedules provided to the Lender after the Closing Date, none of the Borrower or any other Loan Party has any Subsidiary, nor is the Borrower or any other Loan Party engaged in any joint venture or partnership with any other Person. Schedule 10(k) sets forth each such Subsidiaries and/or joint ventures and/or partnerships and sets out for each jurisdiction of incorporation or formation, as the case may be as of the date hereof.

(l) Solvency.

The Borrower, each other Loan Party and each of their respective Subsidiaries is solvent, is able to pay its debts as they become due and has capital sufficient to carry on its business, now owns property having a value both at fair valuation and at present fair saleable value greater than the amount required to pay its debts, and will not be rendered insolvent by the execution and delivery of this Agreement or any of the Loan Documents or by completion of the transactions contemplated hereunder or thereunder.

(m) Indebtedness.

None of the Borrower, any other Loan Party or any of their respective Subsidiaries is now obligated, whether directly or indirectly, as principal, guarantor, surety or otherwise, for any loans (including shareholder loans) or other Debt (contingent or otherwise) other than the following (collectively, "Permitted Indebtedness"):

- (i) the Liabilities;
- (ii) Debt disclosed to the Lender on Schedule 10(i);
- (iii) unsecured Debt to trade creditors and others arising in the ordinary course of the Borrower's, any other Loan Party's or any of their respective Subsidiaries business;
- (iv) unsecured Debt arising from the endorsement of drafts and other instruments for collection, in the ordinary course of the Borrower's, any other Loan Party's or any of their respective Subsidiaries business;
- (v) unsecured Debt owing by the Borrower to any other Loan Party or unsecured Debt owing by any other Loan Party to the Borrower, the particulars of which are set out on Schedule 10(i) it being understood, and the Borrower and each other Loan Party hereby agree and covenant with the Lender, that any such Debt, whether present or future, contingent or otherwise, are and shall, at all times, be subordinate to the Liabilities and, if requested by the Lender, the Borrower and other Loan Parties shall deliver a subordination and/or postponement agreement, in form and substances acceptable to the Lender, acting reasonably;
- (vi) the BDC Indebtedness provided, for greater certainty, that such Debt is subject to the Intercreditor Agreement;

- (vii) the Term Loan Agreement provided, for greater certainty, that such Debt is subject to the Intercreditor Agreement;
- (viii) any Subordinated Debt;
- (ix) Debt incurred by the Borrower to any Person on account of capitalized leases in respect of, or for the purchase of, Equipment provided, that, any such Debt shall not exceed an additional \$ [redacted] in the aggregate in any Fiscal Year;
- (x) unsecured Debt in respect of netting services, overdraft protections and otherwise in connection with deposit accounts, so long as such Debt is incurred in the ordinary course of business;
- (xi) refinancings of Debt described in clauses (ii), (v), (vi) and (vii) above so long as the principal amount thereof is not increased, the weighted average life to maturity is not shortened, no additional collateral therefor shall be granted and, if the Debt being refinanced is subordinated to the Liabilities, the replacement indebtedness shall be subordinated on the same terms as such Debt being so refinanced; and
- (xii) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, indemnity, performance, surety and appeal bonds and other obligations of like nature, in each case arising in the ordinary course of business; and
- (xiii) any deferred taxes.

None of the Borrower, any other Loan Party or any of their respective Subsidiaries is in arrears in payment of any amount to any supplier of Inventory or any governmental body or agency including, without limitation, amounts owing or to be remitted with respect to employee withholdings for income tax or Canada Pension Plan, harmonized sales taxes (including goods and services and retail sales taxes), other than those being contested in good faith and by appropriate proceedings diligently conducted and in respect of which no Lien has been filed.

(n) Locations.

The offices where the Borrower and each other Loan Party keeps its books, records and accounts (or copies thereof) concerning the Collateral, the Borrower's and each other Loan Party's principal place of business and all other places of business, locations of Collateral and post office boxes of the Borrower and each other Loan Party are as set forth in Schedule B hereto.

(o) Equipment and Locations; Real Property.

The Collateral, including without limitation, the Borrower's and any other Loan Party's Equipment is, and shall be kept, or, in the case of vehicles, based, only at the addresses set forth on Schedule B, and at other locations within those jurisdictions where the Lender has perfected security over the Collateral of the relevant Loan Party and of which the Lender has been advised by the Borrower in writing. Schedule B also contains a complete and accurate list of the addresses of all Real Property and other premises where the Borrower or any other Loan Party rents or licenses space or stores Collateral, together with, in the case of non-owned Real Property or such other premises, the name and mailing address of the owner of such Real Property.

(p) Collateral Used in More than One Jurisdiction.

If any of the Collateral consists of Goods of a type normally used in more than one province, whether or not actually so used, the Borrower shall immediately give written notice to the Lender of any use of any such Goods in any province other than a province in which the Borrower has previously advised the Lender such Goods shall be used, and such Goods shall not, unless the Lender shall otherwise consent in writing, be used outside of those jurisdictions where the Lender has perfected security over the Collateral of the relevant Loan Party.

(q) Other Security Agreements.

No security agreement, financing statement or analogous instrument exists or shall exist with respect to any of the Collateral other than any security agreement, financing statement or analogous instrument evidencing Permitted Liens.

(r) Accounts.

Each Account which the Borrower shall, expressly or by implication, request the Lender to classify as an Eligible Account shall, as of the time when such request is made, conform in all material respects to the requirements of such classification as set forth in the definition of Eligible Account and as otherwise established by the Lender from time to time, and the Borrower shall promptly notify the Lender in writing within five (5) days of the Borrower becoming aware if any such Eligible Account shall subsequently become ineligible.

(s) Ownership of Collateral; Liens.

The Borrower and each other Loan Party is and shall at all times be the lawful owner of all Collateral now purportedly owned or hereafter purportedly acquired by the Borrower and each other such Loan Party, free from all Liens whatsoever, whether voluntarily or involuntarily created and whether or not perfected, other than the Permitted Liens. Each Real Property Lease is in full force and effect and unamended (except as disclosed to the Lender) and the Borrower is not in default under any of its obligations thereunder, and is not aware of any circumstances that would constitute a breach thereunder and, to the knowledge of the Borrower, none of the other parties to each Real Property Lease are in material default of any of their respective obligations thereunder.

To the knowledge of the Borrower, after inquiry, all of the buildings, structures, improvements, appurtenances and fixtures (collectively in this subsection 9(s) “buildings and structures”) situate on or forming part of the Real Property are (except to the extent that the same would not have Material Adverse Effect) in good operating condition and in a state of good maintenance and repair, are adequate and suitable for the purposes for which they are currently being used and the Borrower and each other Loan Party, as the case may be, has adequate rights of ingress and egress to and from all of the buildings and structures for the operation of the Borrower’s or such other Loan Party’s business in the ordinary course. Without limiting the generality of, and in addition to, the foregoing, except to the extent that the same would not have Material Adverse Effect:

- (i) the Real Property and the current uses thereof by the Borrower or other Loan Party, as the case may be, comply in all respects with Applicable Law;
- (ii) except as disclosed in writing to the Lender, no alterations, repairs, improvements or other work have been ordered, directed or requested in writing under any Applicable Law by any Person with respect to the Real Property or the buildings

and structures or with respect to any of the plumbing, heating, elevating, water, drainage or electrical systems, fixtures or works, which alteration, repair, improvement or other work has not been completed;

- (iii) unless otherwise disclosed to the Lender, to the knowledge of the Borrower, all accounts for material, work and services with respect to the Real Property (except for current accounts the payment dates of which have not yet passed) have been fully paid and satisfied and no Person is entitled to claim a lien under the *Builders' Lien Act* (Alberta) or any similar applicable legislation in any other jurisdiction against the Real Property; and
- (iv) there is nothing owing by the Borrower or any other Loan Party in respect of the supply to or the use by it of water, gas, electrical power or energy, steam or hot water, or other utilities (except for current accounts the payment dates of which have not yet passed).

(t) Information.

All written information now, heretofore or hereafter furnished by the Borrower or any other Loan Party to the Lender is and shall be true and correct in all material respects as of the date with respect to which such information was or is furnished (except for financial projections, which have been and shall be prepared in good faith based upon assumptions).

(u) Affiliate Transactions.

None of the Borrower or any other Loan Party is conducting, permitting or suffering to be conducted, nor shall it conduct, permit or suffer to be conducted, any activities pursuant to or in connection with which any of the Collateral is now, or will (while any Liabilities remain outstanding) be owned by any Affiliate that is not a Loan Party, including, without limitation, any Subsidiary save and except (i) as otherwise permitted by the terms of this Agreement; or (ii) in the ordinary course of business and upon fair and terms no less favourable to such Loan Party or such Subsidiary than would be obtained in a comparable arm's-length transaction with a Person not an Affiliate of a Borrower or such Subsidiary.

(v) Use of Equipment.

With respect to the Borrower's and each other Loan Party's Equipment: (i) subject to Permitted Liens, the Borrower and each other Loan Party has good and marketable title to and ownership of all Equipment purportedly owned by them; (ii) the Borrower and each other Loan Party has kept and maintained such Equipment in good operating condition and repair and has made all necessary replacements thereof and renewals thereto so that the value and operating efficiency thereof shall at all times be preserved and maintained, ordinary wear and tear excepted and except where the failure to do so would not have, either individually or in the aggregate, a Material Adverse Effect; and (iii) none of the Borrower or any other Loan Party has permitted any such items to become a fixture to real estate (including to any of the Real Property) or an accession to other personal property unless disclosed to the Lender or the Lender has a charge/mortgage on applicable Real Property.

(w) Margin Securities and Use of Proceeds.

None of the Borrower or any other Loan Party own any margin securities, and none of the proceeds of the Loans hereunder shall be used for the purpose of purchasing or carrying any margin

securities or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase any margin securities.

(x) Employment Matters.

Except as set forth in Schedule 9(x), there are no labour disputes pending or threatened between the Borrower, any other Loan Party or any of their respective Subsidiaries and any of its employees or any union representing any employees, other than those which are not, in the aggregate, to result in Material Adverse Effect with respect to the Borrower, such Loan Party or any such Subsidiary. The Borrower, each of the other Loan Parties and each of their respective Subsidiaries are in compliance in all material respects with all Applicable Law respecting employment and employment terms, conditions and practices, except where the failure to so comply would not have a Material Adverse Effect with respect to the Borrower, such Loan Party or any such Subsidiary. Except as set forth in Schedule 9(x) hereto, on the date hereof, or as disclosed in any updated schedules provided to the Lender after the Closing Date, none of the Borrower, any other Loan Party or any of their respective Subsidiaries are a party to any other labour, union or collective bargaining agreement.

(y) Intellectual Property.

The Borrower, each other Loan Party and each of their respective Subsidiaries possesses, and shall continue to possess, adequate licenses, patents, patent applications, copyrights, service marks, trademarks, trademark applications, trade styles and trade names to continue to conduct its business as heretofore conducted by it, details of all of which are described on Schedule 9(y) save and except to the extent that any Person who has licensed or granted the Borrower, any Loan Party or any of their respective Subsidiaries the right to use any such licenses, patents, patent applications, copyrights, service marks, trademarks, trademark applications, trade styles or trade names which are owned by such Person terminates the use of same, and except where the failure to possess same would not have a Material Adverse Effect. All such licenses, patents, patent applications, copyrights, service marks, trademarks, trademark applications, trade styles and trade names which are not owned by the Borrower, any other Loan Party or any of their respective Subsidiaries are currently being used by the Borrower, any other Loan Party or any of their respective Subsidiaries in accordance and in compliance, in all material respects, with the terms and conditions of use of any such licenses, patents, patent applications, copyrights, service marks, trademarks, trademark applications, trade styles and trade names and the Borrower and the other Loan Parties are not aware of any reason why any such use would be terminated.

(z) Authorized and Issued Capital.

Schedule 9(z) attached hereto sets out, in respect of the Borrower, each other Loan Party and each of their respective Subsidiaries, each such party's authorized and issued Equity Interests and the direct or indirect registered and beneficial holders of all such Equity Interests which for greater certainty includes all Parents of the Borrower. All issued and outstanding Equity Interests of the Borrower, each other Loan Party and each of their respective Subsidiaries have been validly issued under Applicable Law, are fully-paid and non-assessable.

(aa) Environmental Laws.

Except as disclosed in Schedule 9(aa) hereto: (i) the operations and properties of the Borrower, each other Loan Party and each of their respective Subsidiaries comply with all applicable Environmental Laws except for any non-compliance which would not have a Material Adverse Effect with respect to any of them; (ii) the Borrower, each other Loan Party and each of their respective Subsidiaries and all of their present facilities or operations and properties, as well as to the knowledge of the Borrower

and each other Loan Party their past facilities or operations and properties, are not subject to any judicial proceeding or administrative proceeding or any outstanding written order or agreement with any Governmental Authority or private party respecting (a) any Environmental Law or; (b) any Environmental Claim arising from the Release of a Contaminant into the environment in each case which would have a Material Adverse Effect; (iii) to the best of the knowledge of the Borrower and each other Loan Party, none of their operations or properties is subject to any federal, provincial or state investigation evaluating whether any remedial work is needed to respond to a Release of any Contaminant into the environment in each case which would have a Material Adverse Effect with respect to them; (iv) none of the Borrower, any other Loan Party or any of their respective Subsidiaries nor any other predecessor of any of the Borrower, any other Loan Party or any of their respective Subsidiaries has, to the best of the knowledge of the Borrower, and each other Loan Party, carried on the past or present facilities or operations or properties of the Borrower, any of the other Loan Parties or any of their respective Subsidiaries, any past or present treatment, storage, or disposal of a Hazardous Material, nor, to the best of knowledge of the Borrower and each other Loan Party, have the Borrower, any other Loan Party or any of their respective Subsidiaries or, any prior owner or operator on any of the properties of the Borrower, any other Loan Party or any of their respective Subsidiaries reported a spill or Release of a Contaminant into the environment in each case which would have a Material Adverse Effect with respect to them; (v) none of the Borrower, any other Loan Party or any of their respective Subsidiaries has been notified that it has any liability in connection with any Release of any Contaminant into the environment in each case which would have a Material Adverse Effect with respect to them; (vi) none of the operations, past or present, of the Borrower, any other Loan Party or any of their respective Subsidiaries involve the generation, transportation, treatment or disposal of Hazardous Materials in violation of Environmental Laws, in each case which would have a Material Adverse Effect with respect to them; (vii) none of the Borrower, any other Loan Party or any of their respective Subsidiaries have disposed of any Contaminant by placing it in or on the ground or waters of any premises owned, leased or used by any of them and to the knowledge of the Borrower or any other Loan Party neither has any lessee, prior owner, prior operator or occupant or other person in each case which would have a Material Adverse Effect with respect to the Borrower, any other Loan Party and their respective Subsidiaries; (viii) no surface impoundments, and to the best knowledge of the Borrower or any other Loan Party, no underground storage tanks, are on any properties of the Borrower, any other Loan Party and their respective Subsidiaries that would or are likely to have a Material Adverse Effect on them; (ix) to the best of the knowledge of the Borrower and any other Loan Party, no lien in favour of any Governmental Authority for (A) any liability under any Environmental Laws, or (B) damages arising from or costs incurred by such Governmental Authority in response to a Release of a Contaminant into the environment, has been filed or attached to the property of the Borrower, any other Loan Party or any of their respective Subsidiaries; and (x) none of the Borrower, any other Loan Party or any of their respective Subsidiaries, is involved in any business or other activity conducted on or with respect to any real property and any obligor or Account Debtor in respect of such real property, is not subject to any (i) protests or any Indigenous land claims, (ii) social, economic or political concerns expressed by any Governmental Authority, any First Nation or any non-governmental organization, or any other adverse social, economic or political attention, (iii) investigation by any Governmental Authority or any litigation or other similar proceeding related to any use made or proposed to be made with respect to such real property, (iv) wrong-doing (or allegations of wrong-doing), or (v) significant local, national or international media coverage, which, in respect of each of the foregoing, could cause a Material Adverse Effect.

(bb) Pension and Other Benefits.

All Plans sponsored by the Borrower or any other Loan Party are registered under, and in compliance in all material respects with, all requirements of Applicable Law, all payments, reports, returns and filings required to be made thereunder have been made. All such Plans have been administered in accordance with their terms and provisions of Applicable Law except where failure to do so would or could reasonably not be expected to have a Material Adverse Effect. In respect of Plans which are registered

pension plans within the meaning of the ITA, to the best of the Borrower's or other Loan Party's knowledge, there have been no partial wind-ups of any Plans, no unauthorized merger of such Plans, no unauthorized withdrawal of funds from such Plans and no improper contribution holidays taken in respect of such Plans which would or could be reasonably expected to have a Material Adverse Effect. Where applicable, all Plans are fully funded on both a going concern and solvency basis as at the Closing Date. Where the most recent actuarial valuation report that has been filed with the applicable governmental authorities for any such Plan discloses a going concern unfunded actuarial liability, past service unfunded actuarial liability or solvency deficiency as at the date of such valuation, the Borrower or a Loan Party are making payments in accordance with valuation report and Applicable Law. All employer or employee payments, contributions and premiums that the Borrower or a Loan Party are required to remit or pay to in respect of each Union Plan has been remitted or paid in a timely fashion in accordance with the terms of the Union Plan, the applicable collective agreement or participation agreement, and all Applicable Laws. Except as set forth on Schedule 9(bb) hereto, none of the Borrower, any other Loan Party or any of their respective Subsidiaries sponsors, administers, maintains or contributes to any other Plans or Union Plans.

(cc) Quantum Murray.

Quantum Murray LP does not own any assets or have any liabilities other than the liabilities arising under, out of or in connection with the QM Litigation.

(dd) Investment Property.

Except as provided in subsection 9(z) of this Agreement, none of the Borrower or any other Loan Party owns or has any interest in any Investment Property, including, for greater certainty, none of the Borrower or any other Loan Party maintain any Securities Account or Futures Account with any Securities Intermediaries or Futures Intermediaries, respectively.

(ee) Tax Returns and Payments.

Each Borrower, every other Loan Party and each Subsidiary thereof has (except to the extent the failure to do so would not have a Material adverse Effect) duly filed or caused to be filed all material federal, state, local and other tax returns required by Applicable Law to be filed, and has paid, or made adequate provision for the payment of, all federal, state, provincial, local and other Taxes, assessments and governmental charges or levies upon it and its property, income, profits and assets which are due and payable (other than any amount the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided for on the books of the relevant Borrower, each other Loan Party and each Subsidiary thereof). Such returns accurately reflect in all material respects all liability for Taxes of the Borrower, any other Loan Party or any Subsidiary thereof for the periods covered thereby. There is no ongoing audit or examination or, to the knowledge of the Borrower and any other Loan Party, other investigation by any Governmental Authority of the Tax liability of the Borrower, any other Loan Party or any Subsidiary thereof, which if adversely determine, would result in a Material Adverse Effect. No Governmental Authority has asserted any Lien or other claim against the Borrower, any other Loan Party or any Subsidiary thereof with respect to unpaid Taxes which has not been discharged or resolved (other than (i) any amount the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided for on the books of the Borrower and any other Loan Party, and (ii) Permitted Liens). The charges, accruals and reserves on the books of the Borrower, any other Loan Party and each Subsidiary thereof in respect of federal, state, provincial, local and other Taxes for all Fiscal Years and portions thereof since the organization of the Borrower, any other Loan Party or any Subsidiary thereof are in the judgment of the Borrower adequate, and the Borrower do not anticipate any additional Taxes or assessments for any of such years.

(ff) OFAC.

None of the Borrowers, any other Loan Party or any Subsidiary or Affiliate thereof: (i) is a Sanctioned Person, (ii) has any of its assets in Sanctioned Person, or (iii) derives any of its operating income from investments in, or transactions with Sanctioned Persons. The proceeds of any Loan will not be used and have not been used to fund any operations in, finance any investments or activities in, or make any payments to a Sanctioned Person.

The Borrower and each other Loan Party represents, warrants and covenants to the Lender that all representations, warranties and covenants of the Borrower and of any other Loan Party contained in this Agreement or any of the Loan Documents (whether appearing in sections 9 or 10 hereof or elsewhere) shall be true in all material respects at the time of the Borrower's and each other Loan Party's execution of this Agreement, shall survive the execution, delivery and acceptance hereof and thereof by the parties hereto and thereto and the closing of the transactions described herein or related hereto, shall remain true in all material respects until the repayment in full of all of the Liabilities and termination of this Agreement, and shall be remade by the Borrower and each such Loan Party at the time each Loan is made pursuant to this Agreement.

**10. COVENANTS**

Until payment or satisfaction in full of all Liabilities and termination of this Agreement, unless the Borrower obtains the Lender's prior written consent waiving or modifying any of the Borrower's or any other Loan Party's covenants hereunder in any specific instance, the Borrower and each other Loan Party, jointly and severally, agree as follows:

(a) Locations; Books and Records.

The Borrower shall promptly (but in no event less than ten (10) days prior thereto) advise the Lender in writing of the proposed change of the principal place of business, opening of any new place of business or the closing of any existing place of business of the Borrower or of any other Loan Party, in each case in a jurisdiction in which the Liens constituted by the Loan Documents have not been perfected. Except where the failure to do so would not have a Material Adverse Effect, the Borrower and each other Loan Party shall at all times keep accurate and complete books, records and accounts with respect to all of the Borrower's and each other Loan Party's business activities, in accordance with sound accounting practices and GAAP consistently applied, and shall keep such books, records and accounts, and any copies thereof, only at the addresses indicated for such purpose on Schedule B (other than duplicates maintained at any Parent entity's offices).

(b) Material Adverse Effect and other Notifications.

The Borrower shall promptly advise the Lender in writing of any Material Adverse Effect in respect of the Borrower, any other Loan Party or any of their respective Subsidiaries or the occurrence of any Default or Event of Default. Without limiting the generality of the foregoing, the Borrower shall immediately notify the Lender in writing of any termination or assignment in respect of any Real Property Leases to which the Borrower, any other Loan Party or any of their respective Subsidiaries are a party.

(c) Audits and Collateral Appraisals.

- (i) The Lender, or any Persons designated by the Lender, shall have the right, up to two (2) times per Fiscal Year, on prior written notice by email in accordance with subsection 15(a) hereof (unless an Event of Default has occurred and is continuing

then such right may be exercised at any time in the Lender's discretion without prior notice) at any time during normal business hours to call at the Borrower's or any other Loan Party's places of business or at any warehouse or storage facility where property or assets of the Borrower or any other Loan Party are located at any times, and, without hindrance or delay, to inspect the Collateral and to inspect, check and make extracts from the Borrower's and any other Loan Party's books, records, journals, orders, receipts and any correspondence and other data relating to the Borrower's and any other Loan Party's business, the Collateral or any transactions between the parties hereto, to request that the Borrower furnish a report or reports of an independent collateral field examiner with respect to the Eligible Accounts included in the Borrowing Base, and shall have the right to make such verification and conduct such field examinations concerning the Borrower's or any other Loan Party's business as the Lender may consider under the circumstances.

- (ii) The Borrower shall pay to or reimburse the Lender for all fees, costs, and out-of-pocket expenses incurred by the Lender in the exercise of its rights pursuant to this subsection 10(c) hereunder (in addition to the fees payable by the Borrower pursuant to subsection 3(f) hereof in connection with the Lender's examination of Borrower's or any other Loan Party's books and records and Collateral), including, without limitation, reimbursing the Lender on the last day of each month, in arrears, for the amount of a monitoring fee charged by Collateral Services Inc. (currently U.S.\$ [redacted] per month for each Account aging listing and U.S.\$ [redacted] per month for each Inventory listing, but subject to change, and a one-time set up fee of U.S.\$ [redacted] for each Account aging listing and a one time setup fee of U.S.\$ [redacted] for each Inventory listing) and all of such costs, fees and expenses shall constitute Loans hereunder, shall be payable on demand and, until paid, shall bear interest at the highest rate then applicable to Loans hereunder.

(d) Insurance.

- (i) The assets and properties of the Borrower and the other Loan Parties at all times shall be maintained in accordance with the requirements of all insurance carriers which provide insurance with respect to the assets and properties of the Borrower and such other Loan Parties so that such insurance shall remain in full force and effect. The Borrower and each other Loan Party shall keep the Collateral properly housed and shall keep the Collateral insured against such risks and in such amounts as the Lender may require and under policies in such form as shall be satisfactory to the Lender. Originals, certified copies or certificates of insurance for such policies of insurance have been, or on the Closing Date, shall be, delivered to the Lender together with evidence of payment of all premiums therefor, and shall contain, *inter alia*, an endorsement, in form and substance acceptable to the Lender, showing loss under such insurance policies payable to the Lender as first loss payee and first mortgagee, subject to the Intercreditor Agreement. Such endorsement, the other terms of the said policies, or an independent instrument furnished to the Lender, shall provide that the insurance company shall give the Lender at least thirty (30) days written notice before any such policy of insurance is materially altered or cancelled and such policy shall include a standard mortgage clause providing, *inter alia*, that no act or omission, whether wilful or negligent, or default of the Borrower or any other Person shall affect the right of the Lender to recover under such policy of insurance in case of loss or damage. The Borrower

shall, within fifteen (15) days from the Closing Date, deliver to the Lender an insurance binder letter in compliance with the provisions of this subsection 10(d)(i). The Borrower and each other Loan Party hereby directs all insurers under such policies of insurance to pay all proceeds payable thereunder directly to the Lender and the Lender shall apply such proceeds in accordance with the provisions of the Intercreditor Agreement and the Lender shall give same day credit for such proceeds received before 2:00 p.m. on such day. Subject to the Intercreditor Agreement, the Borrower and each other Loan Party irrevocably, makes, constitutes and appoints the Lender (and all officers, employees or agents designated by the Lender) as the Borrower's and each such other Loan Party's true and lawful attorney (and agent-in-fact) for the purpose of making, settling and adjusting claims under such policies of insurance, endorsing the name of the Borrower or any other Loan Party, as applicable, on any cheque, draft, instrument or other item of payment for the proceeds of such policies of insurance and making all determinations and decisions with respect to such policies of insurance.

- (ii) The Borrower, each other Loan Party and each of their respective Subsidiaries shall maintain, at its expense, such public liability and third party property damage insurance and business interruption insurance as is customary for Persons engaged in businesses similar to that of the Borrower, each other Loan Party and each of their respective Subsidiaries with financially sound and reputable insurance companies or associations and in such amounts, with such deductibles and under policies in such form as shall be satisfactory to the Lender. Originals or certified copies of such policies have been, or on the Closing Date, shall be, delivered to the Lender together with evidence of payment of all premiums therefor. Each such policy shall contain an endorsement showing the Lender as additional insured thereunder and providing that the insurance company or association shall give the Lender at least thirty (30) days written notice before any such policy of insurance shall be materially altered or cancelled and the Borrower shall give the Lender at least thirty (30) days written notice before any such policy of insurance shall be materially altered or cancelled. The Borrower shall, within fifteen (15) days from the Closing Date, deliver to the Lender an insurance binder letter in compliance with the provisions of this subsection 10(d)(ii).
- (iii) The Borrower shall deliver to the Lender evidence of payment of all insurance premiums to be paid on account of insurance required pursuant to this Agreement.
- (iv) If the Borrower, any other Loan Party or any of their respective Subsidiaries at any time or times hereafter shall fail to obtain or maintain any of the policies of insurance required above or to pay any premium in whole or in part relating thereto, then the Lender, without waiving or releasing any obligation or default by the Borrower or any other Loan Party hereunder, may (but shall be under no obligation to) obtain and maintain such policies of insurance and pay such premiums and take such other actions with respect thereto as the Lender deems advisable. All sums disbursed by the Lender in connection with any such actions, including, without limitation, court costs, expenses, other charges relating thereto and legal fees and disbursements (on a solicitor-client basis), shall constitute Loans hereunder and, until paid, shall bear interest at the highest rate then applicable to Loans hereunder.

- (v) The Borrower shall promptly advise the Lender of the occurrence of any damage to any property and assets of the Borrower, any Loan Party or any of their respective Subsidiaries, including any of the Collateral, which damage is in excess of \$ **[redacted]** unless such damage is covered by insurance and the Borrower notifies the Lender in writing of the amount covered.

(e) Use of Collateral.

The Borrower and each other Loan Party shall not use the Collateral, or any part thereof, in any unlawful business or for any unlawful purpose or use or maintain any of the Collateral in any manner that does or could result in material damage to the environment or a violation of any applicable Environmental Laws, or that does or could reasonably be expected to result in an Environmental Claim, in each case which damage, violation or Environmental Claim would have a Material Adverse Effect; the Borrower and each other Loan Party shall keep the Collateral in good condition, repair and order, ordinary wear and tear excepted; the Borrower and each other Loan Party shall not permit the Collateral, or any part thereof, to be levied upon under execution, attachment, writs of enforcement, distraint or other legal process; the Borrower and each other Loan Party shall not sell, lease, grant a Lien in or otherwise encumber or dispose of any of the Collateral except for Permitted Liens or as otherwise as expressly permitted by this Agreement and the Borrower and each other Loan Party shall not permit any Liens except Permitted Liens to attach to the Collateral that could rank either in priority to, or *pari passu* to the Liens in favour of the Lender granted pursuant to this Agreement, the Collateral Documents or any Loan Documents; and the Borrower and each other Loan Party shall not secrete or abandon any of the Collateral, or remove or permit removal of any of the Collateral from any of the locations listed on Schedule B (as updated from time to time in accordance with the terms of this Agreement) or in any written notice to the Lender pursuant to subsection 9(p) hereof, except for the removal of Inventory sold in the ordinary course of the Borrower's or any other Loan Party's business as permitted herein, the removal of Equipment for the purpose described in subparagraph (iii) in the immediately following paragraph below or otherwise as permitted herein and the transportation of Equipment and Inventory to and from the work sites of the Borrower and the other Loan Parties.

With respect to the Borrower's and each other Loan Party's Equipment, the Borrower and each other Loan Party shall (except to the extent the failure to do so would not have a Material Adverse Effect): (i) keep and maintain such Equipment in good operating condition and repair and shall make all necessary replacements thereof and renewals thereto so that the value and operating efficiency thereof shall at all times be preserved and maintained, ordinary wear and tear excepted; (ii) not permit any Equipment to become a fixture to real estate (including to any of the Real Property) or an accession to other personal property except as has been disclosed to the Lender or the Lender has a charge/mortgage on the applicable Real Property; and (iii) not dispose of any Collateral except as permitted by this Agreement and except for any sale or disposition of Collateral (not including any Eligible Accounts) that does not exceed the aggregate amount of \$ **[redacted]** in any twelve month period, and upon any disposition of any such Collateral the Borrower and any such other Loan Party shall ensure that any disposition proceeds in respect thereof are, subject to the Intercreditor Agreement, payable and paid to the Lender to be applied by the Lender to such Loans then outstanding save and except to the extent that the Borrower or such other Loan Party desires to replace such Collateral with other Collateral to be used by a Loan party in carrying on its business, then upon notice to the Lender such proceeds may be used in respect thereof. The Borrower and each other Loan Party, immediately on demand by the Lender, shall deliver to the Lender any and all evidence of ownership of any of the Equipment purportedly owned by them.

(f) Use of Loan Proceeds.

All monies and other property obtained by the Borrower from the Lender pursuant to this Agreement will be used solely as contemplated by subsection 2(f) hereof.

(g) Recordation of Liens.

The Borrower and each other Loan Party shall, at the request of the Lender, indicate on its records concerning the Collateral a notation, in form satisfactory to the Lender, of the Liens in favour of the Lender, and the Borrower and each other Loan Party shall not maintain duplicates or copies of such records at any address other than the Borrower's principal place of business set forth in Schedule B hereto (other than duplicates maintained at any Parent entity's offices); provided, however, that the Borrower, in the ordinary course of its business, may furnish copies of such records to its accountants, attorneys and other agents or advisors as it may determine to be necessary or desirable, in the exercise of its commercial judgment.

(h) Taxes.

The Borrower, each other Loan Party and each of their respective Subsidiaries shall file all required Tax returns and pay all of their respective Taxes when due, including, without limitation, Taxes imposed by federal, provincial or municipal agencies, and shall cause any Liens for Taxes to be promptly released, (except to the extent the failure to do so would not have a Material Adverse Effect); provided, that the Borrower, each other Loan Party and each of their respective Subsidiaries shall have the right to contest the payment of such Taxes in good faith by appropriate proceedings so long as: (i) the amount so contested is shown on the Borrower's, such other Loan Party's or such respective Subsidiaries' financial statements; (ii) the contesting of any such payment does not give rise to a material Lien for Taxes, unless the Borrower has provided collateral security acceptable in form and substance to the Lender or the enforcement of such Lien is stayed pending resolution of the dispute; (iii) upon the occurrence of an Event of Default that is continuing, the Borrower keep on deposit with the Lender (such deposit to be held without interest) an amount of money which, in the sole judgment of the Lender, acting reasonably, is sufficient to pay such Taxes and any interest or penalties that may accrue thereon; and (iv) if the Borrower, such other Loan Party or any respective Subsidiary fails to prosecute such contest with diligence, the Lender may apply the money so deposited in payment of such Taxes. If the Borrower, any other Loan Party or any of their respective Subsidiaries fails to pay any such Taxes and in the absence of any such contest by the Borrower, such other Loan Party or any respective Subsidiary, the Lender may (but shall be under no obligation to) advance and pay any sums required to pay any such Taxes and/or to secure the release of any Lien therefor, and any sums so advanced by the Lender shall constitute Loans hereunder, shall be payable by the Borrower to the Lender on demand, and, until paid, shall bear interest at the highest rate then applicable to Loans hereunder.

(i) Indebtedness.

None of the Borrower or any other Loan Party shall, without the prior written consent of the Lender, (i) incur, create, assume or suffer to exist any Debt other than Permitted Indebtedness; or (ii) assume, guarantee or endorse, or otherwise become liable in connection with, the obligations of any Person (other than to the Lender), except by (a) endorsement of instruments for deposit or collection, (b) transactions in the ordinary course of the Borrower's, any other Loan Party's or any of their respective Subsidiaries' business or (c) in connection with any Permitted Indebtedness.

(j) Mergers, Sales, Acquisitions and Other Transactions.

Each of the Borrower and each other Loan Party shall not, and shall cause their respective Subsidiaries not to, without the prior written consent of the Lender:

- (i) enter into any merger, amalgamation or consolidation, or wind up, liquidate or dissolve, or sell, lease or otherwise dispose of all or substantially all of its assets; provided, that any Loan Party may merge, amalgamate, consolidate, wind up or sell or dispose of all or substantially all of its assets to another Loan Party and any Subsidiary which is wholly-owned, directly or indirectly by a Loan Party, may amalgamate or merge with any other Loan Party, so long as (A) the amalgamated or merged corporation confirms to the Lender in writing (in form and substance satisfactory to the Lender, acting reasonably) that the amalgamated or merged corporation is liable, by operation of law or otherwise, for the obligations of the applicable Loan Party under the Loan Documents, as the case may be, and (B) subject to the Intercreditor Agreement, such amalgamated or merged corporation forthwith delivers to the Lender a certificate of an Authorized Officer attaching the new articles, by-laws and incumbency information for such amalgamated corporation, and any replacement share certificates for Equity Interests previously pledged to the Lender (together with executed replacement powers of attorney), and (C) the Lender receives such legal opinions and other acknowledgements or agreements from the applicable Persons as the Lender may reasonably require; or
  - (ii) create any new Subsidiary or Affiliate unless the provisions of subsection 10(t) are complied with; or
  - (iii) make any Acquisition, other than Permitted Acquisitions; or
  - (iv) issue any Equity Interests of, or warrants or other rights to receive or purchase any Equity Interests of, any class of its stock other than in connection with any Permitted Distributions; or
  - (v) purchase, invest or otherwise acquire (in any manner whatsoever) any interest in any Investment Property (including for greater certainty maintain any Securities Account or Futures Account with any Securities Intermediary or Futures Intermediary, respectively) (other than Permitted Investments), or
  - (vi) enter into any transaction outside the ordinary course of the Borrower's, any other Loan Party's or any of their respective Subsidiaries' business unless specifically permitted by this Agreement.
- (k) Dividends and Distributions.

None of the Borrower or any other Loan Party shall, and shall cause each of their Subsidiaries not to, make any distribution of funds or property including, without limitation: (i) declare or pay any bonus, dividend or other distribution (whether in cash or in kind) on, purchase, redeem or retire any of its Equity Interests, or make any payment on account of, or set apart assets for the repurchase, redemption, defeasance or retirement of, any class of its stock; or (ii) make any optional payment or prepayment on or redemption (including without limitation by making payments to a sinking fund or analogous fund) or repurchase of any Debt other than Debt pursuant to this Agreement, or (iii) make any payment on or in respect of any Debt, or any interest, fee or other payment, to any Parent, Subsidiary, Affiliate or other related Person other than the following:

- A. each of the Loan Parties shall be entitled to declare and pay dividends to any preferred shareholder or redeem any preferred shares, provided, that, for a period of [redacted] consecutive days prior to and for a period of

[redacted]consecutive days after making any such payment, (a) the Borrower shall have a Fixed Charge Coverage Ratio of not less than [redacted]to 1.00, (b) no Default or Event of Default has occurred and is continuing or would result therefrom, and (c) the Borrower maintains Excess Availability of the greater of: (i) [redacted]% of the Line Cap, and (ii) \$ [redacted];

- B. the BDC Borrowers shall be entitled to make voluntary prepayments, as permitted under the BDC Loan Agreement, from time to time; provided, that, for a period of [redacted]consecutive days prior to and for a period of [redacted]consecutive days after making any such payment, (a) any such prepayments are not made using Borrowings under this Agreement, or proceeds generated for any of the margined Collateral, (b) the Borrower shall have a Fixed Charge Coverage Ratio of not less than [redacted]to 1.00 for the previous four fiscal quarters; (c) the Borrower maintains Excess Availability of the greater of: (i) [redacted]% of the Line Cap, and (ii) \$ [redacted], and (d) no Default or Event of Default has occurred and is continuing or would result therefrom; provided however that the BDC Borrowers shall also be permitted to make regularly scheduled payments of principal and interest under the BDC Loan Agreement, if: (x) the Borrower shall have a Fixed Charge Coverage Ratio of not less than [redacted]to 1.00 for the previous four fiscal quarters as calculated in the most recent reporting delivered to the Lender, or (y) if the Fixed Charge Coverage Ratio does not satisfy the requirement in subsection 10(k)B(x) and the Lender has in its sole discretion, waived the Default or Event of Default occurring as a result of the failure of the Borrower to satisfy the requirement of a Fixed Charge Coverage Ratio of not less than [redacted]to 1:00 as more particularly set forth in subsection 10(k)B(x); provided, however, that nothing herein shall preclude or interfere with the BDC Borrowers directing or paying any proceeds of disposition arising directly from the BDC Priority Collateral (as defined in the Intercreditor Agreement) being paid to BDC in accordance with the terms of the Intercreditor Agreement; and
- C. the Borrower shall be entitled to make voluntary prepayments of principal owing to the Term Lenders under the Term Loan Agreement from time to time; provided, that (a) any such interest payments are not made using Borrowings under this Agreement, or proceeds generated for any of the margined Collateral, (b) for a period of [redacted]consecutive days prior to and for a period of [redacted]consecutive days after making any such payment, the Borrower shall have a Fixed Charge Coverage Ratio of not less than [redacted]to 1.00 for the previous four fiscal quarters; (c) for a period of [redacted]consecutive days prior to and for a period of [redacted]consecutive days after making any such payment, the Borrower maintains Excess Availability of the greater of: (i) [redacted]% of the Line Cap, and (ii) \$ [redacted], and (d) for a period of [redacted]consecutive days prior to and for a period of [redacted]consecutive days after making any such payment, no Default or Event of Default has occurred and is continuing or would result therefrom; provided however that the Borrower shall also be permitted to make regularly scheduled payments of interest under the Term Loan Agreement,

so long as immediately prior to and after making any such scheduled interest payment, the Borrower shall have a Fixed Charge Coverage Ratio of not less than [redacted] to 1.00 for the previous four fiscal quarters as calculated in the most recent reporting delivered to the Lender.

(l) Investments and Loans.

None of the Borrower or any other Loan Party shall, and the Borrower and each Loan Party shall cause their respective Subsidiaries not to, make any loans to, or investments in, any Person, whether in cash, securities or other property of any kind, other than each of the following (collectively, "Permitted Investments"):

- A. investments that are direct obligations of the governments of Canada or the United States or any province, state or agency thereof and that are held in an account that is subject to the Liens constituted by the Loan Documents;
- B. commercial paper with maturities of not more than 180 days and a published rating of not less than A-1 or P-1 (or the equivalent rating) by a nationally recognized investment rating agency and that are held in an account that is subject to the Liens constituted by the Loan Documents;
- C. certificates of time deposit and bankers' acceptances that are held in an account that is subject to the Liens constituted by the Loan Documents and having maturities of not more than 180 days and repurchase agreements backed by United States or Canada government securities of a commercial bank if (i) such bank has a market capitalization of at least Ten Billion Canadian Dollars (Cdn. \$10,000,000,000), or (ii) its debt obligations, or those of a holding company of which it is a Subsidiary, are rated not less than A (or the equivalent rating) by a nationally recognized investment rating agency;
- D. investments, advances or loans to the QM Subsidiaries solely for the purposes of funding any settlement or final resolution of the QM Litigation and only to an amount not to exceed \$ [redacted];
- E. U.S. or Canadian money market funds that invest solely in obligations issued or guaranteed by the United States of America, Canada or an agency thereof;
- F. pursuant to a Hedging Instrument;
- G. investments agreed to in writing by the Lender and received in connection with the bankruptcy or reorganization of customers or in settlement of delinquent obligations of, and other disputes with, customers and suppliers, arising in the ordinary course of business;
- H. equity investments in or intercompany loans to (in each case, in the ordinary course of business) any other Loan Party or by any Subsidiary of a Loan Party to such Loan Party; provided that, in the case of any

intercompany loans owing to a Subsidiary that is not a Loan Party such Subsidiary has executed and delivered an intercompany subordination agreement to Lender and such loans owing to a Loan Party that are evidenced by notes shall be endorsed and delivered to the Lender (and the Lender shall, subject to the Intercreditor Agreement, have a first priority perfected security interest therein) and, in the case of any such Equity Interest, such Equity Interests are pledged to and certificates evidencing such Equity Interests (if any) are delivered to the Lender (together with executed stock powers and irrevocable proxies relating thereto in form and substance reasonably satisfactory to the Lender) and the Lender shall, subject to the Intercreditor Agreement, have a first priority perfected security interest therein; and

- I. the extension of commercial trade credit in connection with the sale of Inventory in the ordinary course of business.

(m) Corporate Existence; Amendments to Constating Documents.

The Borrower and each other Loan Party shall, and shall cause each of their respective Subsidiaries to, subject to subsection 10(j), preserve and keep in force and effect their respective existence, corporate or otherwise, and all material franchises, licenses, rights, privileges and permits necessary for the proper conduct of their respective businesses, except where the failure to maintain such franchises, license, privileges and permits would not have a Material Adverse Effect. None of the Borrower or any other Loan Party shall, and shall cause their respective Subsidiaries not to, except with the prior written consent of the Lender, such consent not to be unreasonably withheld or delayed, amend its Constating Documents in a manner that would adversely affect the Lender.

(n) Financial Covenants.

The Borrower shall maintain and keep in full force and effect each of the financial covenants set forth below. The calculation and determination of each such financial covenant, and all accounting terms contained therein, shall be calculated and construed in accordance with GAAP, applied on a basis consistent with the financial statements of the Borrower delivered on or before the Closing Date, and on a consolidated and consolidating basis for the Loan Parties:

- (i) Capital Expenditures. The Loan Parties (on a consolidated basis) shall not, without the prior written consent of the Lender, make Capital Expenditures in an aggregate amount in excess of \$ [redacted] in any Fiscal Year, as determined in accordance with GAAP on a consolidated basis for all of the Loan Parties; provided, that prior to making any Capital Expenditure, no Default or Event of Default has occurred and is continuing and immediately after making any Capital Expenditure, no Default or Event of Default would occur as a result therefrom; provided further that, the Loan Parties (on a consolidated basis) shall not expend or become obligated for any non-financed Capital Expenditures during such period in an aggregate amount in excess of \$ [redacted], as determined in accordance with GAAP on a consolidated basis for all of the Loan Parties; and
- (ii) Fixed Charge Coverage Ratio. The Borrower shall be required to maintain a Fixed Charge Coverage Ratio of not less than [redacted] to 1.00, tested on a quarterly basis, as of the last day of each Fiscal Quarter.

(o) Reimbursement of Expenses.

The Borrower shall reimburse the Lender for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable legal fees and disbursements (on a solicitor-client basis) for outside counsel), relating to it and incurred by the Lender in connection with the documentation and consummation of this transaction and any other related transactions between the Borrower and the Lender including, without limitation, personal property security and other public record searches, Lien filings, express mail or similar express or messenger delivery, appraisal costs, surveys, title insurance and environmental audit or review costs, and in seeking to collect, protect or enforce any rights in or to the Collateral or incurred by the Lender in seeking to collect any Liabilities and to administer and enforce any of the Lender's rights under this Agreement. The Borrower shall also pay all normal service charges with respect to bank accounts maintained by the Lender for the benefit of the Borrower. All such costs, expenses and charges shall constitute Loans hereunder, shall be payable to the Lender on demand and, until paid, shall bear interest at the highest rate then applicable to Loans hereunder.

(p) Bank Accounts, Cash Management and Hedging.

- (i) The Borrower and each other Loan Party shall maintain all banking relationships, bank accounts and cash management and hedging facilities with the Lender, other than Permitted Indebtedness, and all current banking relationships, cash management and hedging facilities which are maintained with Persons other than the Lender shall be terminated and all such other bank accounts closed.

(q) Material Changes and Affiliate Transactions.

The Borrower and each other Loan Party shall not, and shall cause their respective Subsidiaries not to, make any material change in the nature of the business in which the Borrower, such other Loan Party or such Subsidiaries are currently engaged and, except as permitted hereby, shall purchase Inventory only from parties at arm's-length to the Borrower and each other Loan Party, its officers and directors.

(r) Environmental Compliance.

The Borrower and each other Loan Party shall, and shall cause their respective Subsidiaries to, conduct its business and occupy its premises in compliance with all Environmental Laws applicable to them, including, without limitation, those relating to the Borrower's, any Loan Party's or any such Subsidiaries' generation, handling, use, storage, and disposal of Hazardous Materials; the Borrower and each other Loan Party shall take prompt and appropriate action to the extent required under Environmental Laws to respond to any non-compliance or alleged non-compliance with any Environmental Laws and shall regularly report to the Lender on such non-compliance or alleged non-compliance and the Borrower's, any such other Loan Party's or any such Subsidiaries' response, except in each case above for such non-compliance that would not have a Material Adverse Effect. Without limiting the generality of the foregoing, after the Borrower gives the notice to the Lender contemplated by subsection 10(s) the Borrower shall at the Lender's request and at the Borrower's expense:

- (i) cause an independent environmental engineer acceptable to the Lender to conduct, as reasonably warranted in light of the subject matter of the notice, such tests or other evaluations of the site where the Borrower's, such other Loan Party's or such Subsidiaries' non-compliance or alleged non-compliance with Environmental Laws has occurred and prepare and deliver to the Lender a report addressed to the Lender, or addressed to the Loan Party and on which the Lender may rely

containing such qualifications reasonably acceptable to the Lender setting forth the results of such tests or other evaluations, a proposed plan for responding to any environmental problems described therein, and an estimate of the costs thereof; and

- (ii) provide to the Lender a supplemental report of such engineer whenever the scope of the environmental problems, or the Borrower's or any such other Loan Party's response thereto or the estimated costs thereof shall change in any material way. Such reports shall also be addressed to the Lender, or addressed to the Loan Party and on which the Lender may rely, and shall, as requested by the Lender, set out the results of such engineers' review of, *inter alia*:
  - A. the internal policies and procedures of the Borrower, such other Loan Party or such Subsidiaries relating to environmental regulatory compliance to ensure that all appropriate steps are being taken by or on behalf of the Borrower, such other Loan Party or such Subsidiaries to comply with all applicable requirements of Environmental Laws;
  - B. progress of compliance deficiencies;
  - C. all other environmental audit reports which the Borrower, any other Loan Party or such Subsidiaries, or any predecessor thereof has commissioned in the normal conduct of its business; and
  - D. all environmental reports which have been commissioned by or made available to the Borrower, any other Loan Party or such Subsidiaries in connection with new Acquisitions, and the engineers' report and recommendations on results of tests performed or samples taken by it during the course of its review, irregularities or steps which may be taken to ensure continued compliance, as well as such other matters as the Borrower and/or the Lender may request from time to time.

(s) Environmental Occurrences.

The Borrower shall provide written notice to the Lender no later than five (5) Business Days after the happening during the term hereof of any of the following:

- (i) the receipt of a material notice of non-compliance, violation or contravention of any Environmental Laws from any Governmental Authority with respect to the activities carried on by the Borrower, any other Loan Party or any of their respective Subsidiaries;
- (ii) the knowledge of, or receipt of written notice of, any operations or activities conducted on or with respect to any real property used by a Loan Party in carrying out its business or services and any Account Debtor or client in respect of such real property, is subject to any (i) issues in contravention of any Environmental Laws, (ii) protests or any Indigenous land claims, (iii) social, economic or political concerns expressed by any Governmental Authority, any First Nation or any non-governmental organization, or any other adverse social, economic or political attention, (iv) investigation by any Governmental Authorities or any litigation or other similar proceeding related to any use made or proposed to be made with

respect to such real property, (v) wrong-doing (or allegations of wrong-doing), or (vi) significant local, national or international media coverage, which, in respect of each of the foregoing, could cause a Material Adverse Effect;

- (iii) the receipt of written data or confirmation that there has been an unpermitted spill or other Release of Hazardous Materials upon, under or about or affecting any of the properties owned, operated, leased or occupied by the Borrower, any other Loan Party or any of their respective Subsidiaries in amounts that are required to be reported under Environmental Laws, or Hazardous Materials at levels or in amounts that are required to be reported, remedied or responded to under Environmental Laws are detected on or in the soil or groundwater;
- (iv) upon the Borrower, any other Loan Party or any of their respective Subsidiaries having knowledge or become aware that it is or may be liable for any material costs of cleaning up or otherwise remedying a Release of Hazardous Materials;
- (v) any part of the properties owned, operated, managed, possessed, leased or occupied by the Borrower, any other Loan Party or any of their respective Subsidiaries or of which the Borrower, any other Loan Party or any of their respective Subsidiaries otherwise have charge, management or control, other than the properties of the customers or clients of the Borrower, the other Loan Parties or their Subsidiaries, are subject to a lien, charge, mortgage or other type of encumbrance under, or may be subject to any order, direction or other administrative proceeding under, any Environmental Laws; or
- (vi) the Borrower, any other Loan Party or any of their respective Subsidiaries undertakes any remedial work with respect to any Hazardous Materials contamination in the environment.

(t) Additional Loan Parties.

If, after the Closing Date, the Borrower or any other Loan Party creates or acquires, either directly or indirectly, any new Subsidiary in accordance with the terms of this Agreement, including, but not limited to, in connection with a Permitted Acquisition, the Borrower or such other Loan Party, as the case may be, shall, upon such creation or Acquisition thereof, at the sole option and discretion of the Lender, cause such new Subsidiary to:

- (i) become a guarantor or a joint borrower hereunder;
- (ii) execute and deliver to the Lender (1) a joinder agreement in form and substance satisfactory to the Lender in its capacity as a guarantor or joint borrower, as applicable, (2) any further documents, instruments or agreements as the Lender may reasonably require in order to grant the Lender a perfected first priority security interest (subject only to Permitted Liens) in substantially all of the assets of such new Subsidiary, (3) revised schedules to the Loan Documents reflecting the Borrower's ownership interest in such new Subsidiary, and (4) the certificates, if any, representing the Equity Interests of such Subsidiary required to be pledged to the Lender, at its discretion, together with undated stock powers and an irrevocable proxy (or equivalent instruments, as applicable), or if such interest is uncertificated, evidence of the registration of the Lender's lien on and security interest in such interest on the books and records of such entity; and

- (iii) execute and deliver all such other instruments, documents and agreements and take such other actions, as the Lender may reasonably request or require to fully evidence and consummate the transactions contemplated in this subparagraph and to ensure the enforceability, perfection and first-priority (subject only to Permitted Liens) of the interests and undertakings hereunder and thereunder, including, without limitation, (A) the execution and delivery of guaranties, security agreements, pledge agreements, mortgages, deeds of trust, financing statements and other documents, and the filing or recording of any of the foregoing, (B) the delivery of certificated securities and other Collateral with respect to which perfection is obtained by possession and (C) legal opinions in form and substance and from such counsel reasonably satisfactory to the Lender.

(u) QM Subsidiary.

The Borrower agrees and acknowledges that it shall not (i) permit either QM Subsidiary to carry on business in the ordinary course, or (ii) permit the QM Subsidiaries (taken as a whole) to maintain aggregate assets greater than \$ **[redacted]**, unless the Borrower has (A) caused such QM Subsidiary that carries on business in the ordinary course and such QM Subsidiaries that, when taken as a whole, maintain aggregate assets in excess of \$ **[redacted]**, as the case may be, to execute and deliver to the Lender a guarantee and other Loan Documents in accordance with subsection 10(t) above (together with such legal opinions and other supporting documents as the Lender may reasonable request), and (B) caused the parties to the Intercreditor Agreement to amend such agreement to account for a QM Subsidiary becoming a Loan Party, in each case within thirty (30) days of any such QM Subsidiary carrying on business or the aggregate assets of such QM Subsidiaries (taken as a whole) exceeding \$ **[redacted]**, as applicable.

(v) Settlements

The Borrower agrees and acknowledges that it shall not, or permit any other Loan Party to, enter into any monetary settlement arrangements in connection with any claims, actions or proceedings advanced or initiated by a third party pursuant to which the Borrower or any other Loan Party would be required to make any cash payments in excess of \$ **[redacted]** without the prior written consent of the Lender.

(w) Anti-Money Laundering Legislation.

- (i) The Borrower shall at all times comply with the requirements of all Canadian Economic Sanctions and Export Control Laws, AML Legislation and sanctions applicable to the Borrower and shall cause each other Loan Party and each of its and their respective Subsidiaries to comply with the requirements of all Anti-Terrorism Laws applicable to such Persons.
- (ii) The Borrower shall provide the Lender any information regarding the Borrower, each other Loan Party, and each of their respective owners, Affiliates, and Subsidiaries necessary for the Lender to comply with all applicable Anti-Terrorism Laws subject however, in the case of Affiliates, to the Borrower's ability to provide information applicable to them.
- (iii) The Loan Parties will maintain in effect and enforce policies and procedures reasonably designed to ensure compliance by the Loan Parties, their Subsidiaries, and the Loan Parties' and their Subsidiaries' respective directors, officers, employees and agents with applicable Anti-Terrorism Laws.

(x) Quebec Collateral.

If any Loan Party at any time maintains any Collateral in Quebec, Canada with a fair market value in excess of \$ [redacted] in the aggregate, upon the Lender's reasonable request, such Loan Party shall enter into such Collateral Documents and take such actions as may be reasonably required by the Lender so as to perfect and protect the Lender's Lien on such Collateral.

**11. CONDITIONS PRECEDENT**(a) Closing Deliveries.

The effectiveness of this Agreement is subject to the satisfaction or waiver of the following conditions precedent:

- (i) The Lender shall have received payment in full of all fees and expenses payable to it by the Borrower, including, without limitation, legal fees and expenses incurred by the Lender in connection with this Agreement and the consummation of the transactions contemplated hereby.
- (ii) The Lender shall have received a compliance certificate with supporting calculations attached, evidencing that, as of the Closing Date:
  - A. Total Funded Debt to Capitalization is at a percentage not exceeding 55%;
  - B. Excess Availability exceeds fifteen percent (15%) of the Line Cap; and
  - C. The Borrower is in pro forma compliance with the financial covenant set forth in Section 10(n)(ii) hereof.
- (iii) The Lender shall have received evidence that the maturity date of the Term Loan Agreement is at least one hundred and eighty (180) days after the Maturity Date.
- (iv) There has been no Material Adverse Effect in respect of the facts and information presented by the Borrower or others on the Borrower's behalf and no material litigation or claims (in the sole judgment of the Lender) with respect to any aspect of Borrower's, any other Loan Party's or any of their respective Subsidiaries business or assets shall have occurred since the date of the most recent financial statements of the Borrower delivered to the Lender.
- (v) The Lender shall have received, in form and substance satisfactory to it in its discretion, a confirmation of security or reaffirmation of security, as applicable, in respect of each of the Collateral Documents including each of the security documents, agreements, opinions, reports, approvals, consents, certificates and other documents set forth on the closing document list attached hereto as Schedule 13(a)(iii), evidence of all registrations as required and confirmation of its first priority Lien in the Collateral (subject only to Permitted Liens). The Lender is hereby authorized to file any and all financing statements against the Borrower and any other Loan Party in any province or territory of Canada, in any state of the United States and in any other jurisdiction in accordance with the Laws of such province, territory, state or jurisdiction wherein it may reasonably determine that such filing is desirable in order to perfect its interest in the Collateral.

- (vi) Since the date of the most recent financial statements delivered to the Lender, no event shall have occurred which has had or could be expected to have a Material Adverse Effect with respect to the Borrower, any other Loan Party or any of their respective Subsidiaries, as determined by the Lender in its discretion.
- (vii) No request of the Minister of National Revenue for payment pursuant to Section 224(1.1), or any successor section, of the ITA shall have been received by the Lender in respect of Borrower or any other Loan Party.
- (viii) The Borrower and any other Loan Party shall have or cause to be executed and delivered to the Lender all documents which the Lender determines in its discretion are necessary to consummate the transactions contemplated hereby.
- (ix) Completion of tax, lien, judgment and other searches and investigations with respect to the Collateral and all security provided by the Borrower and any other Loan Party, with results satisfactory to the Lender, and completion of a review to its satisfaction of the management, creditworthiness, financial position, systems and procedures of the Borrower and any other Loan Party.
- (x) The Lender shall have received a duly executed closing certificate from the Loan Parties dated as of the Closing Date, certifying that:
  - A. no Default or Event of Default shall have occurred as of the Closing Date or would be reasonably likely to occur following the consummation of the transactions contemplated by this Agreement;
  - B. all representations and warranties contained in this Agreement and the Loan Documents shall be true and correct in all material respects on and as of the Closing Date, other than representations and warranties that relate solely to an earlier date in which case such representations and warranties shall be true and correct in all material respects as of such earlier date; and
  - C. since the date of the most recently available financial statements delivered in accordance with the Original Credit Agreement, no event shall have occurred which has had or could be expected to have a Material Adverse Effect with respect to the Loan Parties.
- (xi) The Lender shall have received opinions of counsel to the Loan Parties, including opinions of local counsel to the extent deemed necessary by the Lender, in each case dated the Closing Date and covering such matters as reasonably required by and otherwise reasonably satisfactory in form and substance to the Lender.
- (xii) The Lender shall have received, reviewed and determined as reasonably satisfactory all third party documentation (including any other Debt and security subordinations and postponements it may require) that the Lender may reasonably require.
- (xiii) The Lender shall have received certificates of status or good standing or their equivalent, as applicable, for each Loan Party's jurisdiction of existence.

- (xiv) The Lender shall have received completed customer identification forms from the Borrower and each other Loan Party and all other documentation and information reasonably requested by the Lender in respect of the Borrower and each other Loan Party to comply with applicable AML Legislation.

(b) Post-Closing Deliveries.

After the Closing Date, the obligation of the Lender to make any requested Loan or issue any requested Letter of Credit is subject to the satisfaction of the conditions precedent set forth below. Each such request shall constitute a representation and warranty that such conditions are satisfied:

- (i) All representations and warranties contained in this Agreement and the Loan Documents shall be true and correct in all material respects on and as of the date of such request, as if then made, other than representations and warranties that relate solely to an earlier date in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date; and
- (ii) No Default or Event of Default shall have occurred, or would result from the making of the requested Loan or issue of the requested Letter of Credit, which has not been waived in writing by the Lender or cured by the applicable Loan Party.

## 12. DEFAULT

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

(a) Payment.

The failure of the Borrower or any other Loan Party to pay principal when due in accordance with the terms hereof, or the failure of the Borrower or any other Loan Party to pay interest, fees, costs or expenses to the Lender within one (1) Business Days after the same becomes due in accordance with the terms hereof or any other Loan Document.

(b) Breaches of this Agreement and Loan Documents.

The failure of the Borrower or any other Loan Party to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations (other than as described in subsection 12(a) above) of the Borrower or such other Loan Party, as the case may be, under this Agreement or any of the other Loan Documents, or any other document or agreement with any branch or Subsidiary or Affiliate of The Toronto-Dominion Bank, to which each is a party and such failure shall continue unremedied for twenty (20) days; provided that, such twenty (20) day period shall not apply in the case of (i) any failure to perform or observe any such covenant, condition, promise, agreement or obligation which is not capable of being cured at all or within such twenty (20) day period, or (ii) the material failure to perform or observe, in the Lender’s discretion, any such covenant, condition, promise, agreement or obligation is with respect to any covenant, condition, promise, agreement or obligation contained in subsection 6(a) (as to the failure to deposit into or maintain the Blocked Accounts only), subsections 7(a), (b) or (c) or any of subsections 10(b) (as to a Material Adverse Effect only), (d) (as to the maintenance of insurance and payment of premiums only), (e), (i), (j), (k), (l), (m), (n), (p) (other than as expressly permitted in (i) therein), or (q) hereof.

(c) Breaches of Representations and Warranties.

The making or furnishing by the Borrower, any other Loan Party or any other Guarantor (or any director, officer, employee or other representative thereof) to the Lender of any representation, warranty, certificate, schedule, report or other notices as required by or in connection with this Agreement or any of the other Loan Documents or in connection with any other agreement between the Borrower, such other Loan Party, or such other Guarantor and the Lender, which shall prove to have been untrue or misleading in any material respect on the date when made or deemed to have been made and if capable of being cured, shall continue unremedied for ten (10) days.

(d) Levy, Seizure or Attachment.

The creation (whether voluntary or involuntary) of any Lien or other encumbrance upon any of the Collateral or any property or assets in excess of \$ **[redacted]** of the Borrower or any other Loan Party, other than a Permitted Lien, or the making or any attempt to make any levy, seizure or attachment thereof which is not stayed or lifted within thirty (30) days; or the loss, theft, damage or destruction of all or a substantial portion of the property and assets of the Borrower and the other Loan Parties.

(e) Bankruptcy or Similar Proceedings.

The making of an assignment or proposal in bankruptcy by the Borrower or any other Loan Party or the filing by the Borrower or any other Loan Party of notice of its intention to make a proposal in bankruptcy or the commencement of any proceedings in bankruptcy by or against the Borrower or any other Loan Party for the liquidation or reorganization of any such party or alleging that any such party is insolvent or unable to pay its debts as they mature or for the readjustment or arrangement of the Borrower's or any other Loan Party's debts, whether under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or under any other Law, whether state, provincial or federal, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving any such party; provided, however, that if such commencement of proceedings, application, filing, petition or case against the Borrower or such other Loan Party is involuntary, such action shall not constitute an Event of Default unless such proceedings are not forthwith contested in good faith by the Borrower, such other Loan Party or such respective Subsidiary and dismissed, stayed or withdrawn within twenty (20) days after the commencement of such proceedings.

(f) Appointment of a Receiver or Similar Person.

The appointment of a receiver or trustee for the Borrower or any other Loan Party for any of the Collateral or for any substantial part of the Borrower's or any other Loan Party's, assets or the institution of any proceedings for the dissolution or winding up, or the full or partial liquidation, or (without the consent of the Lender) the merger, amalgamation or consolidation, of the Borrower or any other Loan Party other than permitted under subsection 10(j), provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment or proceeding has resulted in a seizure or possession of any of such parties' property or assets (including any of the Collateral) by such receiver or trustee, or is not forthwith contested in good faith by the Borrower, such other Loan Party, such respective Subsidiaries, or such other Guarantor and revoked or dismissed within twenty (20) days after the commencement of such proceedings.

(g) Judgments.

The entry of any judgment or the issuance or registration of any writ of enforcement or order against the Borrower or any other Loan Party which is in excess of \$ **[redacted]** and which is not

being contested in good faith and by appropriate proceedings or remains unsatisfied or undischarged and in effect for thirty (30) days after such entry without a stay of enforcement or execution.

(h) Default or Revocation of Agreements.

The occurrence of the revocation or termination of any Loan Document executed and delivered by any Loan Party to the Lender pursuant to which such Loan Party has guaranteed to the Lender the payment of all or any of the Liabilities or has granted the Lender a Lien upon some or all of such Loan Party's real and/or personal property to secure directly or indirectly the payment of all or any of the Liabilities.

(i) Default Under Indebtedness.

The occurrence of a default or an event of default, which continues after the passage of any applicable cure period which has not been waived and which has resulted in the acceleration of the payment of principal under any agreement or instrument evidencing Debt in excess of \$ [redacted] executed or delivered by the Borrower or any other Loan Party pursuant to which agreement or instrument the Borrower, any other Loan Party or any of their respective Subsidiaries or its properties is or may be bound and which has not been cured or waived in writing by the applicable creditor, including, without limitation, the occurrence of a default or an event of default in respect of or under the Term Loan Agreement, the BDC Loan Agreement or in respect of or under any other document related to or in connection with Subordinated Debt.

(j) Change of Control.

The occurrence of any Change of Control has occurred or the occurrence of a pledge, transfer, assignment or disposition of, or grant of a Lien in or in respect of, any Equity Interests of a Loan Party (other than the Borrower) other than as permitted in accordance with this Agreement.

### **13. REMEDIES UPON AN EVENT OF DEFAULT**

(a) No Further Advances.

Upon the occurrence and during the continuation of a Default or Event of Default, the Lender shall have no further obligation to make or extend any Loan hereunder, to issue or cause to be issued any Letter of Credit hereunder or to grant any other financial accommodation to the Borrower. Further, upon the occurrence and during the continuation of any Event of Default, the Lender shall be entitled, on prior notice to the Borrower, to amend availability reserves, advance rates and sub-limits under the Borrowing Base and eligibility requirements for Eligible Accounts.

(b) Acceleration and Remedies.

Upon the occurrence and during the continuation of an Event of Default described in subsection 12(e) or (f) hereof, all of the Liabilities shall immediately and automatically become due and payable, without notice of any kind, and upon the occurrence and during the continuation of any other Event of Default, any or all of the Liabilities may, at the option of the Lender, and upon demand be declared, and immediately shall become, due and payable. Upon either occurrence, the Lender may, in addition to any other right or remedy which it may have at Law or in equity, but subject to the Intercreditor Agreement, proceed to realize its security hereunder or under any Collateral Documents and to enforce its rights by:

- (i) entry;

- (ii) the appointment by instrument in writing of a receiver or receivers of the Collateral or any part thereof (which receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Lender or not and the Lender may remove any receiver or receivers so appointed and appoint another or others in his or their stead);
- (iii) proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or
- (iv) any other action, suit, remedy or proceeding authorized or permitted hereby or by Applicable Law or by equity.

In addition, the Lender may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings.

(c) Receivers.

Any receiver or receivers so appointed shall, subject to the Intercreditor Agreement, have power to:

- (i) take possession of and to use the Collateral or any part thereof;
- (ii) carry on the business of the Borrower or any other Loan Party (including, but not limited to, the taking or defending of any actions or legal proceedings, and the doing or refraining from doing all other things as to the receiver may seem necessary or desirable in connection with the business, operations and affairs of the Borrower or any other Loan Party);
- (iii) borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Borrower or any other Loan Party;
- (iv) further charge the Collateral in priority to the security interests of this Agreement as security for money so borrowed; and
- (v) sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the receiver shall determine.

The Lender shall not be responsible for any actions or errors of omission by the receiver or receivers in exercising any such powers.

(d) Disposition of Collateral.

In addition, subject to the Intercreditor Agreement (if applicable), the Lender may enter upon, use, occupy and possess the Collateral or any part thereof, free from all Liens, except for Permitted Liens, without hindrance, interruption or denial of the same by the Borrower or any other Loan Party or by any other person or persons save only holders of Permitted Liens and a landlord pursuant to its rights of reversion under any lease of real property on expiry of its term, and may lease or sell the whole or any part or parts of the Collateral. Any sale hereunder may, subject to the Intercreditor Agreement (if applicable), be made by public auction, by public tender or by private contract, with or without notice and with or

without advertising and without any other formality (except as required by Law), all of which are hereby waived by the Borrower and each other Loan Party. Such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Lender in its discretion may seem advantageous. Such sale may take place whether or not the Lender has taken possession of the Collateral.

(e) Remedies Not Exclusive.

No remedy for the realization of the Liens granted pursuant hereto or pursuant to any Collateral Documents, any Loan Documents or any other security held by the Lender or for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term “receiver” as used in this Agreement includes a receiver and manager.

(f) Miscellaneous.

At the Lender’s request, subject to the Intercreditor Agreement, the Borrower and each other Loan Party shall, at the Borrower’s expense, assemble the Collateral and make it available to the Lender at one or more places to be designated by the Lender. The Borrower and each other Loan Party recognizes that if the Borrower and each such other Loan Party fails to perform, observe or discharge any of its Liabilities under this Agreement or the Loan Documents, no remedy at Law will provide adequate relief to the Lender, and the Borrower and each other Loan Party agrees that the Lender shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages. Any notification to the Loan Parties of intended disposition of any of the Collateral required by Law will be deemed reasonably and properly given if given at least fifteen (15) calendar days before such disposition. Any proceeds of any disposition by the Lender of any of the Collateral may, subject to the Intercreditor Agreement, be applied by the Lender to the payment of expenses and any Borrowings in connection with the Collateral and its realization including, without limitation, legal fees and disbursements (on a solicitor-client basis) of outside counsel and any balance of such proceeds may be applied by the Lender toward the payment of such of the Liabilities, and in such order of application, as the Lender may from time to time elect or re-elect.

## 14. INDEMNIFICATION

(a) General Indemnity.

The Borrower and each other Loan Party agrees to defend (with counsel satisfactory to the Lender), protect, indemnify and hold harmless the Lender, each Affiliate or Subsidiary of the Lender, and each of their respective officers, directors, employees, attorneys and agents (each an “Indemnified Party”) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature (including, without limitation, those liabilities described in subsection 14(b) hereof and the disbursements and the fees (on a solicitor-client basis) of internal and external counsel for each Indemnified Party in connection with any investigative, administrative or judicial proceeding, whether or not the Indemnified Party shall be designated a party thereto) (collectively, the “Indemnified Liabilities”), which may be imposed on, incurred by, or asserted against, any Indemnified Party (whether direct, indirect or consequential and whether based on any federal, provincial, state or local Laws or regulations including, without limitation, securities, environmental and commercial Laws and regulations, under common law or in equity, or based on contract or otherwise) in any manner relating to or arising out of this Agreement or any Loan Documents or any act, event or transaction related or attendant to any of the foregoing, the making and the management of the Loans or the use or intended use of the proceeds of the Loans save and except for any Indemnified Liabilities arising as a result of a breach of this Agreement by the Lender or the gross negligence or wilful misconduct of any

Indemnified Party. To the extent that the undertaking to indemnify set forth in the preceding sentence may be unenforceable because it violates any Law or public policy, the Borrower and each other Loan Party shall satisfy such undertaking to the maximum extent permitted by Applicable Law. Any liability, obligation, loss, damage, penalty, cost or expense covered by this indemnity shall be paid to each Indemnified Party within five (5) Business Days of written demand therefor, and, failing prompt payment, shall, together with interest thereon at the highest rate then applicable to Loans hereunder from the date incurred by each Indemnified Party until paid by the Borrower, be added to the Liabilities of the Borrower and be secured by the Collateral. The provisions of this section 14 shall survive the satisfaction and payment of the other Liabilities and the termination of this Agreement.

(b) Environmental Indemnity.

Without limiting the generality of subsection 14(a), the Borrower and each other Loan Party shall at all times indemnify and hold harmless the Indemnified Parties from and against any and all liabilities and costs suffered or incurred by such Indemnified Parties including, without limitation, any and all orders, directions, suits, actions, proceedings, claims, settlements, damages, losses, liabilities, costs and expenses (including, without limitation, legal fees and disbursements on a solicitor-client basis, litigation costs and any costs of settlement), with respect to: (i) any actual or threatened Release of Hazardous Materials or the presence of any Hazardous Materials affecting any of the properties of the Borrower or any other Loan Party, whether or not the same originates or emanates from any such properties or any contiguous property, including any loss of value of any such properties as a result of any of the foregoing; (ii) any costs of remedial, preventative or similar action which may be imposed on an indemnified Party by any Governmental Authority on the Borrower or any other Loan Party, including without limitation, any prosecution initiated or threatened with respect to non-compliance with Environmental Laws, (iii) any costs of remedial, preventative or similar action incurred by any Governmental Authority imposed on an Indemnified Party or any costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources, including costs of assessing such injury, destruction or loss incurred pursuant to any Environmental Laws; (iv) liability for personal injury or property damage arising under any statutory, common law, tort, breach of statutory duty, riparian rights, strict liability or any other doctrine or theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance, trespass or for the carrying on an abnormally dangerous activity at or near any of the properties of the Borrower or any other Loan Party; (v) any environmental liabilities and costs affecting any of the properties of the Borrower or any other Loan Party within the jurisdiction of any Governmental Authority; (vi) any other environmental liabilities and costs; and/or (vii) any claims, liabilities or costs of remediation or reconciliation arising from or in connection with (A) any protests or any Indigenous land claims, (B) investigations by any Governmental Authorities or any litigation or other similar proceeding related to any use made or proposed to be made with respect to any real property, or (C) wrong-doing (or allegations of wrong-doing) (collectively, the “Environmental Losses”); provided that, the Borrower and the Loan Parties shall have no indemnification obligations hereunder with respect to any Environmental Losses arising as a result of the gross negligence or wilful misconduct of any Indemnified Party.

**15. MISCELLANEOUS**

(a) Notices.

All written notices and other written communications with respect to this Agreement or any of the Loan Documents shall be sent by ordinary or registered mail, email or delivered in person as follows:

- (i) in the case of the Lender to it at:

TD Tower  
66 Wellington Street West, 12th Floor  
Toronto, ON M5K 1A2

Attention: Director, Asset Based Lending  
(if by email to email address [redacted email address])

- (ii) in the case of the Borrower or any other Loan Party at:

c/o FLINT Corp.  
3500, 205 – 5th Avenue S.W.  
Calgary, AB T2P 2V7

Attention: Jennifer Stubbs, Chief Financial Officer

(if by email to email address [redacted email address])

With a copy to:

c/o FLINT Corp.  
3500, 205 – 5th Avenue S.W.  
Calgary, AB T2P 2V7

Attention: Kent Chicilo, General Counsel  
James Healey, Vice President, Finance and Corporate  
Controlling

(if by email to email addresses [redacted email address] and [redacted email address])

The notice or other communication so sent shall be deemed to be received on the day of personal delivery or email, or if mailed, three days following the date of such mailing.

(b) Choice of Governing Law and Construction.

Except as expressly set forth therein, this Agreement and the Loan Documents shall be governed and controlled by the Laws of the Province of Alberta and the Laws of Canada applicable therein as to interpretation, enforcement, validity, construction, effect, and in all other respects, including, without limitation, the legality of the interest rate and other charges, but excluding perfection of the Liens in the Collateral, which shall be governed and controlled by the Laws of the relevant jurisdiction.

(c) Forum Selection and Service Of Process.

To induce the Lender to accept this Agreement, the Borrower and each other Loan Party, irrevocably: (i) agrees that, subject to the Lender's sole and absolute election, all actions or proceedings in any way, manner or respect, arising out of or from or related to this Agreement, the Loan Documents or the Collateral shall be litigated in courts having situs within the City of Calgary, in the Province of Alberta; (ii) consents and submits to the jurisdiction of any local, provincial or federal courts located within said city

and province; and (iii) hereby waives any right it may have to transfer or change the venue of any litigation brought by the Lender in accordance with this paragraph.

(d) Modification and Benefit of Agreement.

This Agreement shall be binding upon the Borrower, the other Loan Parties and the Lender and their respective successors and assigns and shall enure to the benefit of the Borrower, the other Loan Parties and the Lender and their respective successors and assigns. This Agreement and the Loan Documents may not be modified, altered or amended except by an agreement in writing signed by the Borrower and/or the other Loan Parties as applicable and the Lender. The Borrower and each other Loan Party may not sell, assign or transfer this Agreement, or the Loan Documents or any portion thereof including, without limitation, any right, title, interest, remedies, powers or duties thereunder. The Borrower and each other Loan Party hereby consents to the Lender's sale, assignment, transfer or other disposition, at any time and from time to time hereafter, of this Agreement, or the Loan Documents, or of any portion thereof, or participation therein including, without limitation, the Lender's right, title, interest, remedies, powers and/or duties thereunder. The Borrower and each other Loan Party agrees that it shall execute and deliver such documents as the Lender may request in connection with any such sale, assignment, transfer or other disposition.

(e) Headings of Subdivisions.

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

(f) Power of Attorney.

The Borrower and each other Loan Party acknowledge and agree that every power of attorney granted hereunder or under any other Loan Document is an appointment coupled with an interest and shall be irrevocable until all of the Liabilities are paid in full and this Agreement is terminated.

(g) Waiver of Jury Trial, Other Waivers, Confidentiality.

The Lender, the Borrower and each other Loan Party hereby waive all rights to trial by jury in any action or proceeding which pertains directly or indirectly to this Agreement, any of the Loan Documents, the Liabilities, the Collateral or any alleged tortious conduct or which, in any way, directly or indirectly, arises out of or relates to the relationship between the Borrower, any other Loan Party and the Lender. In no event shall the Lender be liable for lost profits or other special or consequential damages. To the extent permitted by law, the Borrower and each other Loan Party hereby waive all rights to notice and hearing of any kind prior to the exercise by the Lender of its rights to repossess the Collateral without judicial process or to replevy, attach or levy upon such Collateral without prior notice or hearing, and hereby waives demand, presentment, protest and notice of non-payment, and further waives the benefit of all valuation, appraisal and exemption Laws. The Lender's failure, at any time or times hereafter, to require strict performance of any provision of this Agreement or any of the Loan Documents shall not waive, affect or diminish any right of the Lender thereafter to demand strict compliance and performance therewith. Any suspension or waiver by the Lender of an Event of Default under this Agreement or any default under any of the Loan Documents shall not suspend, waive or affect any other Event of Default under this Agreement or any other default under any of the Loan Documents, whether the same is prior or subsequent thereto and whether of the same or of a different kind or character. No delay on the part of the Lender in the exercise of any right or remedy under this Agreement or any Loan Documents shall preclude other or further exercise thereof or the exercise of any right or remedy. None of the undertakings, agreements, warranties, covenants and representations contained in this Agreement or any of the Loan Documents and no Event of Default

under this Agreement or default under any of the Loan Documents shall be deemed to have been suspended or waived by the Lender unless such suspension or waiver is in writing, signed by two duly authorized officers of the Lender and directed to the Borrower specifying such suspension or waiver.

(h) Timing of Payments.

Any payment required to be made by the Borrower to the Lender hereunder or under any Loan Documents or any other security shall be made in the currency in respect of which the obligation requiring such payment arose. Any payment received by the Lender after 3:00 p.m. (Toronto time) on a Business Day, or on any day that is not a Business Day, shall be credited to the account of the Borrower as applicable on the next following Business Day.

(i) Canadian Currency.

All dollar amounts specified herein are in Canadian Dollars unless otherwise indicated.

(j) Severability.

Any provision of this Agreement that is prohibited or unenforceable under Applicable Law 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.

(k) Conflicts.

In the event there occurs any conflict or inconsistency between any provision of this Agreement and any provision of the Loan Documents, the provision of this Agreement shall govern.

(l) Counterparts.

This Agreement and any amendments, waivers, consents, acknowledgements or supplements may be executed in number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which counterparts together shall constitute but one agreement. Counterparts may be executed in original or electronic form (including PDF, DocuSign or other similar method of electronic transmission).

(m) Excluded Subsidiaries.

The parties hereto acknowledges and agree that each Excluded Subsidiary is not a Loan Party for the purposes of this Agreement or any of the Loan Documents.

(n) Joint and Several Liability; Fraudulent Preferences.

Notwithstanding anything to the contrary contained herein, all Liabilities, whether arising hereunder or under the other Loan Documents shall be joint and several obligations of the Borrower and the other Loan Parties.

Notwithstanding any provisions of this Agreement to the contrary, it is intended that the joint and several nature of the Liabilities of the Loan Parties and the Liens granted by the Loan Parties pursuant to any Loan Document to secure the Liabilities, not constitute a Fraudulent Conveyance. Consequently, the Lender and the Loan Parties agree that if the Liabilities of a Loan Party, or any Liens

granted by such Loan Party securing the Liabilities would, but for the application of this sentence, constitute a Fraudulent Conveyance, the Liabilities of such Loan Party and the Liens securing such Liabilities shall be valid and enforceable only to the maximum extent that would not cause such Liabilities or such Lien to constitute a Fraudulent Conveyance, and the Liabilities of such Loan Party and this Agreement shall automatically be deemed to have been amended accordingly.

If the incurrence or payment of the Liabilities by any Loan Party or the transfer to the Lender of any property should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, preferences, or other voidable or recoverable payments of money or transfers of property (collectively, a "Voidable Transfer") and if the Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the advice of its counsel, then, as to any such Voidable Transfer, or the amount thereof that the Lender is required or elects to repay or restore, and as to all costs, expenses, including legal fees and expenses of the Lender, the Liabilities shall automatically shall be revived, reinstated, and restored and shall exist as though such Voidable Transfer had never been made, and this Agreement, the other Loan Documents and all Liens granted hereunder and thereunder shall be immediately reinstated until full and final payment of the Liabilities, in cash, shall have been received by the Lender.

(o) Patriot Act and Canadian Anti-Money Laundering Legislation

The Borrower and each other Loan Party acknowledge that, pursuant to the Patriot Act and Proceeds of Crime Act and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Lender may be required to obtain, verify and record information regarding the Borrower each Loan Party and their respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Borrower and or any other Loan Party, and the transactions contemplated hereby. Each Borrower and Guarantor shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Lender, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

*[Signature Pages Follow]*

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

**THE TORONTO-DOMINION BANK**

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

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

**IN WITNESS WHEREOF**, the Borrower and each of the other Loan Parties hereto have duly executed this Agreement as of the date set out on the first page hereof.

Borrower:

**FLINT CORP.**

By: \_\_\_\_\_

Name: Barry Card

Title: Chief Executive Officer

Guarantors:

**FLINT GP INC.**, in its own capacity, and in its capacity as general partner of **FLINT ENERGY SERVICES LIMITED PARTNERSHIP**

By: \_\_\_\_\_

Name: Jennifer Stubbs

Title: Chief Financial Officer

**FLINT ASSET GP LTD.**, in its own capacity, and in its capacity as general partner of **FLINT EQUIPMENT LP**

By: \_\_\_\_\_

Name: Jennifer Stubbs

Title: Chief Financial Officer

**FLINT ASSET GP LTD.**, in its capacity as general partner of **FLINT REAL ESTATE LP**

By: \_\_\_\_\_

Name: Jennifer Stubbs

Title: Chief Financial Officer

**CLEARWATER ENERGY SERVICES GP INC.**, in its own capacity, and its capacity as general partner of **CLEARWATER ENERGY SERVICES GP INC.**

By: \_\_\_\_\_

Name: Jennifer Stubbs

Title: Chief Financial Officer

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