

"Swap Agreement" shall mean any interest rate, currency or commodity swap agreement, cap agreement or collar agreement, and any other agreement or arrangement designed to protect a Loan Party against fluctuations in interest rates, currency exchange rates or commodity prices with a counterparty that is a Swap Lender.

"Swap Lender" shall mean a Lender or Affiliate of a Lender that is the counterparty to any Swap Agreement with a Loan Party, the obligations under which shall constitute Obligations.

"Swingline Commitment" shall mean, at any time, the Commitment of the Swingline Lender to make Swingline Loans as set forth on Schedule 2.01.

"Swingline Lender" shall mean CIBC.

"Swingline Loan" shall mean a Loan made pursuant to Section 2.01(e).

"Target" means IFHI, WHI and each of the other Subsidiaries of IFHI.

"Tax Distributions" shall mean, for any period, an amount not greater than 35% of the taxable Net Income of Holdco and its direct and indirect Subsidiaries for that period which is allocated for Tax purposes to the partners of Holdco.

"Taxes" is defined in Section 2.20(a).

"Term Borrowing" shall mean a Borrowing comprised of Term Loans.

"Term Commitment" shall mean the commitment of each Term Lender to make Term Loans as set forth on Schedule 2.01 or in the Assignment and Acceptance pursuant to which such Lender assumed its Term Commitment, as applicable, as the same may be reduced from time to time pursuant to Section 2.09.

"Term Lenders" shall mean the Lenders having Term Commitments or holding Term Loans.

"Term Loans" shall mean the Loans made by the Term Lenders to Borrower pursuant to Section 2.01(a).

"Total Consideration" shall mean, the total consideration paid or payable in connection with any Permitted Acquisition, including without limitation, all Permitted Acquisition Expenses, assumed Indebtedness and liabilities incurred, assumed, or reflected on a consolidated balance sheet of the Obligor after giving effect to such Permitted Acquisition and the maximum amount of all deferred payments, including earnouts.

"Transactions" is defined in Section 4.02.

"Transferee" is defined in Section 2.20(a).

"TriWest 2019 Loan" means the advance made on January 31, 2019 in the amount of \$750,000 made by Trifit Holdings Limited Partnership to the Borrower.

"Type", when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, the term "Rate" shall include the Prime Rate and the Discount Rate applicable to B/A Loans and B/A Equivalent Loans.

"Unfinanced Capital Expenditures" means Capital Expenditures paid from cash flow of a Loan Party, and for greater certainty, Capital Expenditures funded from the proceeds of Revolving Loans shall be treated as Unfinanced Capital Expenditures.

"Vendor" means, collectively, the RAL Vendor and the 883 Vendor.

"Vendor Subordinated Debt" means, collectively, the RAL Vendor Subordinated Debt and the 883 Vendor Subordinated Debt.

"Vendor Subordination Agreements" means, collectively, the RAL Vendor Subordination Agreement and the 883 Vendor Subordination Agreement and "Vendor Subordination Agreement" means either of them.

"Warrant" means a warrant issued by the Borrower to allow CIBC to purchase 20% of the Equity Interests of the Borrower on a fully-diluted basis.

"WH Edmonton Acquisition" means the acquisition by the Borrower of the WH Edmonton Assets pursuant to the WH Edmonton Purchase Agreement.

"WH Edmonton Assets" means the assets of World Health Edmonton Inc. purchased pursuant to the WH Edmonton Purchase Agreement.

"WH Edmonton Clubs" means any or all of the fitness clubs described in Schedule 3.1.16 of the WH Edmonton Purchase Agreement.

"WH Edmonton Purchase Agreement" means the asset purchase agreement dated on or about March 29, 2018 among World Health Edmonton Inc., World Health North LP, David Hardy and Blake MacDonald.

"WHEI Intercreditor Agreement" means the intercreditor agreement dated as of August 1, 2014 among IFHI, WHI, Canadian Imperial Bank of Commerce and World Health Edmonton Inc., as such agreement may be amended, supplemented or restated from time to time in accordance with the terms thereof.

"WHI" means World Health Club Inc.

"wholly owned", when used in reference to any subsidiary of a Person, shall mean any subsidiary of such Person of which securities (except for directors' qualifying shares) or other ownership interests representing 100% of the equity or 100% of the ordinary voting power or 100% of the general partnership or membership interests are, at the time any determination is being made, owned, controlled or held by such Person or one or more wholly owned subsidiaries of such Person or by such Person and one or more wholly owned subsidiaries of such Person.

"World Health Acquisition" means the acquisition by the Borrower of all of the issued and outstanding Equity Interests of the Target.

Section 1.02 Terms Generally. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context shall otherwise require, all references herein to Articles, Sections, Exhibits and Schedules shall be deemed to be references to Articles and Sections of, and Exhibits and Schedules to, this Credit Agreement, and the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Credit Agreement in its entirety and not to any particular provision hereof. Each reference to any Loan Document or any other document or agreement shall be deemed to be a reference to such Loan Document, document or agreement as amended, restated, waived, supplemented or otherwise modified from time to time in accordance with the provisions hereof and thereof.

Section 1.03 Classification of Loans and Borrowings. For the purposes of this Credit Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Loan") or by Type (e.g., a "B/A Loan") or by Class and Type (e.g., a "B/A Revolving Loan"). Borrowings may also be classified and referred to by Class (e.g., "Revolving Borrowing") or by Type (e.g., a "B/A Borrowing") or by Class and Type (e.g., a "B/A Revolving Borrowing").

Section 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that if Borrower notifies the Administrative Agent that it requests an amendment to any provision hereof to eliminate or mitigate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II THE CREDITS

Section 2.01 Commitments.

- (a) Subject to the terms and conditions and relying on the representations and warranties set forth herein, each Term Lender agreed, severally and not jointly, to make to Borrower on the Closing Date Term Loans by means of Prime Rate Loans or B/A Loans in an aggregate principal amount equal to its Term Commitment. Borrower may not reborrow any portion of a Term Loan after such Term Loan (or any portion thereof) has been repaid or prepaid. Term Loans shall be denominated in Dollars. On the Fifth Closing Date, \$47,500,000 (excluding accrued interest) is outstanding to the Term Lenders pursuant to the Term Commitment.
- (b) Subject to the terms and conditions and relying on the representations and warranties set forth herein, each 2019 Lender agreed, severally and not jointly, to make to Borrower commencing on the Fifth Closing Date 2019 Loans by means of Prime Rate Loans in an

aggregate principal amount equal to its 2019 Commitment. Borrower may not reborrow any portion of a 2019 Loan after such 2019 Loan (or any portion thereof) has been repaid or prepaid. 2019 Loans shall be denominated in Dollars. Schedule 2.01 identifies the 2019 Commitments and the 2019 Lenders as of the Fifth Closing Date.

- (c) Subject to the terms and conditions and relying on the representations and warranties set forth herein:
 - (i) each Revolving Lender agrees, severally and not jointly, to make Revolving Loans to Borrower by means of Prime Rate Loans or B/A Loans from time to time during the Availability Period; and
 - (ii) the Fronting Agent agrees to issue Letters of Credit in an aggregate face amount at any time outstanding not to exceed the Letter of Credit Commitment,

in an aggregate principal amount that will not result in the Revolving Credit Utilization exceeding the then aggregate Revolving Commitment. Within the limits set forth in the first sentence of this subsection (c), Borrower may borrow, pay, prepay and reborrow Revolving Loans. Revolving Loans shall be denominated in Dollars. All amounts owing pursuant to the Revolving Commitment on the Fifth Closing Date shall continue to be owing hereunder. Effective the Fifth Closing Date, no further Revolving Borrowings shall be permitted (ie. the Revolving Commitment shall cease to be a revolving facility).

- (d) Subject to the terms and conditions and relying on the representations and warranties set forth herein each Capex Lender agreed, severally and not jointly, to make Capex Loans to the Borrower by means of Prime Rate Loans or B/A Loans. Capex Loans shall be denominated in Dollars. On the Fifth Closing Date, \$3,242,666.06 (excluding accrued interest) is outstanding to the Capex Lenders pursuant to the Capex Commitment. No further advances of Capex Loans shall be available following January 4, 2019.
- (e) Subject to the terms and conditions and relying on the representations and warranties set forth herein, each Subordinate Lender agreed, severally and not jointly, to make to Borrower on the Second Closing Date Subordinate Loans by means of Fixed Rate Loans in an aggregate principal amount equal to its Subordinate Commitment. Borrower may not reborrow any portion of a Subordinate Loan after such Subordinate Loan (or any portion thereof) has been repaid or prepaid. Subordinate Loans shall be denominated in Dollars. On the Fifth Closing Date, \$2,575,234.54 (inclusive of accrued interest to the Fifth Closing Date) is outstanding to the Subordinate Lenders pursuant to the Subordinate Commitment.
- (f) Subject to the terms and conditions and relying on the representations and warranties set forth herein, the Swingline Lender agrees from time to time during the Availability Period to make Swingline Loans to Borrower by means of overdraft in accordance with this Section 2.01(e), for the purposes of facilitating same day advances, miscellaneous liabilities relating to bank products furnished by the Administrative Agent, and overdraft borrowings. Overdrafts arising from clearance of cheques or drafts drawn on any Deposit Account of Borrower (or of another Loan Party as directed by Borrower in writing) maintained with the Swingline Lender, and designated by the Swingline Lender for such purpose, shall be deemed to be outstanding as Prime Rate Loans notwithstanding the definition of Prime Rate Loan. For certainty, such Deposit Accounts

may include accounts of the Loan Parties in respect of which consolidation or netting arrangements have been made with the Swingline Lender, including any notional account reflecting any such consolidation or netting of accounts. The Swingline Lender shall make each Swingline Loan available to Borrower by means of a credit to the applicable Deposit Account with the Swingline Lender in which an overdraft has occurred as described in the previous sentence. The aggregate principal amount of Swingline Loans at any time outstanding shall not exceed the Swingline Commitment. Within the limits set forth in this Section 2.01(e), Borrower may borrow, pay, prepay and re-borrow Swingline Loans. All amounts owing pursuant to the Swingline Commitment on the Fourth Closing Date shall continue to be owing hereunder.

- (g) Each of the Swingline Commitment and the Letter of Credit Commitment forms part of the Revolving Commitment and at any time, the outstanding Revolving Credit Utilization, including for certainty Swingline Loans outstanding and the aggregate LC Exposure, is not to exceed the then aggregate Revolving Commitment.
- (h) Until the Master Plan has been received and approved by the Lenders, the Borrower shall only be entitled to obtain, subject to the terms and conditions of this Agreement, \$5,050,000 (\$2,900,000 (including the advance used on the Fifth Closing Date or the day or two subsequent to repay the Capex Loans referenced in (i) below) from CIBC and \$2,150,000 from TriWest) of advances pursuant to the 2019 Commitments (exclusive of the deemed Advance contemplated in (i) below).
- (i) On or within 2 days from the Fifth Closing Date, the Capex Loans made by CIBC as a Capex Lender on or about January 31, 2019 shall be repaid from a 2019 Loan to be made by CIBC (the "**repayment date**"). On the repayment date, the TriWest 2019 Loan shall be deemed to be converted to an advance pursuant to the 2019 Commitments.

Section 2.02 Loans.

- (a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans made by the Lenders rateably in accordance with their respective applicable Commitments; provided that the failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Except for Loans deemed made pursuant to Section 3.04, and subject to Section 2.22(e) in the case of B/A Loans, Loans comprising any Borrowing shall be (i) in an aggregate principal amount that is not less than \$100,000 and (ii) in an integral multiple of \$50,000.
- (b) (i) Each Revolving Borrowing (other than Swingline Loans) shall be comprised entirely of B/A Loans, Prime Rate Loans, or Letters of Credit, (ii) each Capex Borrowing shall be comprised entirely of B/A Loans or Prime Rate Loans, (iii) each Term Loan shall be comprised entirely of B/A Loans or Prime Rate Loans, (iv) each 2019 Loan shall be comprised entirely of Prime Rate Loans, and (v) each Subordinate Loan shall be comprised entirely of Fixed Rate Loans, in each case as Borrower may request pursuant to Section 2.03, Section 3.01 (in the case of Letters of Credit), or as otherwise may be provided in this Credit Agreement. Each Lender may at its option fulfill its Commitment by causing any of its domestic or foreign branches or Affiliates to make any such Loan; provided that any exercise of any such option shall not (A) affect the obligation of Borrower to repay such Loan in accordance with the terms of this Credit Agreement or

(B) require any reimbursement or other payment to be made to such Lender or its Affiliates pursuant to Section 2.20 in an amount in excess of the amounts that would have been payable thereunder to such Lender had such Lender not exercised such option. Borrowings of more than one Type may be outstanding at the same time; provided that Borrower shall not be entitled to request any Borrowing that, if made, would result in an aggregate of more than five B/A Borrowings of any Lender being outstanding hereunder at any one time in respect of any Class of Borrowings. For purposes of the foregoing, Loans having different Contract Periods regardless of whether they commence on the same date, shall be considered separate Loans.

- (c) Except with respect to Swingline Loans (which shall be made as provided in Section 2.01(g)), each Lender shall make a Loan in the amount of its pro rata portion, as determined under Section 2.17, of each Borrowing hereunder on the proposed date thereof by wire transfer of immediately available funds not later than 2:00 p.m., Standard Time, to the account of the Administrative Agent most recently designated by such agent for such purpose, and the Administrative Agent shall promptly credit the amounts so received to the general Deposit Account of Borrower or, if a Borrowing shall not occur on such date because any condition precedent specified herein shall not have been met, return the amounts so received to the respective Lenders. Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing (or, in the case of a Prime Rate Borrowing, prior to 2:00 p.m., Standard Time, on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with this Section 2.02(c), and the Administrative Agent may, in reliance upon such assumption, make available to Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have made such portion available to the Administrative Agent, such Lender and Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount, together with interest thereon for each day from the date such amount is made available to Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the rate determined by the Administrative Agent to represent its cost of obtaining overnight Dollars. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall be deemed to constitute such Lender's Loan as part of such Borrowing for purposes of this Credit Agreement.
- (d) Notwithstanding any other provision of this Credit Agreement, Borrower shall not be entitled to request any Contract Period in the case of a B/A Borrowing that would end after the Maturity Date.
- (e) Notwithstanding anything contained herein to the contrary, each 2019 Borrowing shall be in a minimum amount of \$2,000,000.
- (f) Notwithstanding any other provision of this Credit Agreement, as of the Fifth Closing Date, the Borrower shall not have any ability to request a B/A Borrowing or convert a Prime Rate Borrowing into a B/A Borrowing.

Section 2.03 Notice of Borrowings. To request a Borrowing (other than a Swingline Loan or a Borrowing deemed made pursuant to Section 3.04, as to which this Section 2.03 shall not

apply), Borrower shall give the Administrative Agent written, email or fax notice substantially in the form of Exhibit A hereto (each, a "Notice of Borrowing") (or telephone notice promptly confirmed in writing or by email or fax), in the case of a Prime Rate Term Borrowing, Prime Rate Revolving Borrowing, or a B/A Borrowing, not later than 1:00 p.m., Standard Time, one Business Day before a proposed Borrowing. Such notice shall be irrevocable and shall in each case refer to this Credit Agreement and specify the following information:

- (i) the Type (e.g., B/A or Prime Rate) of such Borrowing;
- (ii) whether the Borrowing is to be a Revolving Borrowing, a Capex Borrowing, a Term Borrowing or Subordinate Borrowing;
- (iii) the aggregate amount of such Borrowing;
- (iv) the date of such Borrowing (which shall be a Business Day);
- (v) in the case of a B/A Borrowing, the Contract Period and maturity date with respect thereto; and
- (vi) the number and location of the account to which funds are to be disbursed;

provided that notwithstanding any contrary specification in any such notice, each requested Borrowing shall comply with the requirements set forth in Section 2.02. If no election as to the Type of Borrowing is specified in any such notice, then the requested Borrowing shall be a Prime Rate Borrowing. If no Contract Period with respect to a B/A Borrowing is specified in any such notice, then Borrower shall be deemed to have selected a Contract Period of one month's duration. The Administrative Agent shall promptly advise the applicable Lenders of any notice given pursuant to this Section 2.03, and of each such Lender's portion of the requested Borrowing.

- (b) Each Swingline Loan shall (i) be a Borrowing by way of overdraft in accordance with Section 2.01, (ii) have no minimum limit requirements, and (iii) require no prior notice from Borrower to the Administrative Agent.

Section 2.04 Use of Proceeds.

- (a) On the Closing Date, the proceeds of the Term Loans were used to partially refinance the Existing Debt, to assist in the completion of the World Health Acquisition and to advance loans to certain employees of the Target in an aggregate principal amount not exceeding \$1,250,000. On the Fourth Closing Date, \$9,000,000 of the Term Loans were used to assist in the completion of the WH Edmonton Acquisition.
- (b) After the Closing Date, the proceeds of the Revolving Loans will be used for general corporate purposes of the Loan Parties, including financing working capital.
- (c) Commencing the Fifth Closing Date, the proceeds of the 2019 Loans will be used to repay the Capex Loans as contemplated by Section 2.01(i), make Capital Expenditures, for operating requirements of the Loan Parties and for general corporate purposes of the Loan Parties.

- (d) Prior to the Fifth Closing Date, the proceeds of the Capex Loans were used to make Capital Expenditures.
- (e) On the Second Closing Date, the proceeds of the Subordinate Loans were used by the Borrower to finance the construction of Designated New Fitness Clubs.

Section 2.05 Repayment of Loans; Evidence of Debt.

- (a) Borrower hereby unconditionally promises to pay (i) to the Administrative Agent, for the account of the Revolving Lenders, the then unpaid principal amount of each Revolving Loan on the Maturity Date, (ii) to the Administrative Agent, for the account of the Capex Lenders, the unpaid principal amount of each Capex Loan on the Maturity Date, (iii) to the Administrative Agent, for the account of the 2019 Lenders, the unpaid principal amount of each 2019 Loan on the Maturity Date (iv) to the Administrative Agent, for the account of the Swingline Lender, the then unpaid principal of each Swingline Loan on the Maturity Date, (v) to the Administrative Agent, for the account of the Term Lenders, the then unpaid principal amount of the Term Loans on the Maturity Date, and (vi) to the Administrative Agent, for the account of the Subordinate Lenders, the then unpaid principal amount of the Subordinate Loans on the Maturity Date. Except for any B/A Loan (the compensation for which is set forth in Section 2.22), each Loan shall bear interest from and including the date made on the outstanding principal balance thereof as set forth in Section 2.07.
- (b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Credit Agreement.
- (c) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan (other than any Swingline Loan) made hereunder, the Type of each such Loan and the Contract Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrower to each Lender hereunder (except with respect to Swingline Loans) and (iii) the amount of any sum received by the Administrative Agent hereunder from Borrower or any Guarantor, and each Lender's share thereof.
- (d) The Swingline Lender shall maintain accounts in which it will record (i) the amount of the Swingline Loans made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrower to the Swingline Lender in connection therewith.
- (e) The entries made in the accounts maintained by the Lenders and the Administrative Agent pursuant to paragraphs (b) and (c) above and by the Swingline Lender pursuant to paragraph (d) above, shall, to the extent permitted by applicable laws, be prima facie evidence of the existence and amounts of the obligations therein recorded; provided that the failure of any Lender, the Administrative Agent or the Swingline Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of Borrower to repay the Loans in accordance with their terms.

Section 2.06 Fees.

- (a) Borrower agrees to pay to each Revolving Lender, in respect of the Revolving Commitment of such Revolving Lender, on the last Business Day of each calendar month and on the date on which the Revolving Commitment of such Revolving Lender shall expire or be terminated as provided herein, a commitment fee, calculated on a monthly basis in arrears at a rate per annum equal to Applicable Rate on the average daily unused amount of the Revolving Commitment of such Revolving Lender during the preceding calendar month (or shorter period commencing with the Closing Date or ending on the Maturity Date or the date on which such Revolving Commitment of such Revolving Lender is otherwise terminated). Such commitment fee shall commence to accrue on and including the Closing Date and, with respect to any Revolving Lender, shall cease to accrue on, but excluding, the date on which the Revolving Commitment of such Revolving Lender shall expire or be terminated as provided herein. Effective as of the Fifth Closing Date, Commitment Fees shall cease to accrue on the Revolving Commitment.

The commitment fees referenced herein and in Section 2.06(b) are referred to as the "Commitment Fees".

- (b) The Borrower agrees to pay to each 2019 Lender, in respect of the 2019 Commitment of such 2019 Lender, on the last Business Day of each calendar month and on the date on which the 2019 Commitment of such 2019 Lender shall expire or be terminated as provided herein, a commitment fee, calculated on a monthly basis in arrears at a rate per annum equal to 1.1% per annum on the average daily unused amount of the 2019 Commitment of such 2019 Lender during the preceding calendar month (or shorter period commencing with the Fifth Closing Date or ending on the Maturity Date or the date on which such 2019 Commitment of such 2019 Lender is otherwise terminated). Such commitment fee shall commence to accrue on and including the Fifth Closing Date and, with respect to any 2019 Lender, shall cease to accrue on, but excluding, the date on which the 2019 Commitment of such 2019 Lender shall expire or be terminated as provided herein.
- (c) Borrower agrees to pay to the Administrative Agent, for the account of each Revolving Lender, on the first Business Day of each Fiscal Quarter and on each date on which the Revolving Commitment of such Revolving Lender shall expire or be terminated as provided herein, a participation fee (a "LC Participation Fee") calculated on such Lender's Applicable Percentage of the daily aggregate LC Exposure (excluding the portion thereof attributable to unreimbursed LC Disbursements in respect of Letters of Credit) during the preceding quarter (or shorter period commencing with the Closing Date and ending with the Maturity Date or the date on which all Letters of Credit have been cancelled or have expired and the Revolving Commitments of all Lenders shall have been terminated) at the Applicable Rate, provided that the minimum issuance fee for each such Letter of Credit shall be \$350.
- (d) Borrower agrees to pay to the Fronting Agent with respect to the issuance, amendment or transfer of any Letter of Credit issued by the Fronting Agent and each drawing made thereunder, customary documentary and processing charges in accordance with the Fronting Agent's standard schedule for such charges in effect at the time of such issuance, amendment, transfer or drawing, as the case may be.

- (e) All fees payable by the Loan Parties pursuant to the Loan Documents shall be paid on the dates due, in Dollars in immediately available funds, to Administrative Agent for distribution as appropriate among the Lenders; provided that such fees payable to the Fronting Agent, the Swingline Lender, or to the Administrative Agent shall be paid directly to such Person. Once paid, none of such fees shall be refundable under any circumstances (other than corrections of errors in payment). The Commitment Fees shall be computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be.

Section 2.07 Interest on Loans.

- (a) Subject to the provisions of Section 2.08, the Revolving Loans comprising each Prime Rate Borrowing shall bear interest (payable monthly in arrears, and computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be) at a rate per annum equal to the sum of (x) the Prime Rate, and (y) the Applicable Rate provided that (y) shall be capitalized and paid in kind. Interest shall thereafter accrue at the same rate on all accrued interest.
- (b) The 2019 Loans shall bear interest (payable monthly in arrears, and completed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be) at a rate per annum equal to the sum of (x) the Prime Rate, and (y) 12%, provided that (y) shall be capitalized and paid in kind. Interest shall thereafter accrue at the same rate (being the Prime Rate plus 12%) on all accrued interest.
- (c) Subject to the provisions of Section 2.08, the Capex Loans comprising each Prime Rate Borrowing shall bear interest (payable monthly in arrears, and completed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be) at a rate per annum equal to the sum of (x) the Prime Rate, and (y) the Applicable Rate provided that (y) shall be capitalized and paid in kind. Interest shall thereafter accrue at the same rate on all accrued interest.
- (d) Subject to the provisions of Section 2.08, the Term Loans comprising each Prime Rate Borrowing shall bear interest (payable monthly in arrears, and completed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be) at a rate per annum equal to the sum of (x) the Prime Rate, and (y) the Applicable Rate provided that (y) shall be capitalized and paid in kind. Interest shall thereafter accrue at the same rate on all accrued interest.
- (e) Subject to the provisions of Section 2.08, the Loans comprising each Fixed Rate Borrowing shall bear interest (payable monthly in arrears, and computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be) at a rate per annum equal to the Fixed Rate. Upon providing five Business Days' prior notice to the Administrative Agent, the Borrower may elect to capitalize and pay in kind up to 10% of the 16% of the Fixed Rate. All capitalized interest shall thereafter form principal and interest shall be payable on such capitalized amount at the Fixed Rate. The Borrower may modify such designation by providing five Business Days' prior written notice to the Administrative Agent.
- (f) Subject to the provisions of Section 2.08, the Loans comprising each B/A Borrowing shall be subject to an Acceptance Fee, payable by Borrower on the date of acceptance

(or date of rollover) of the relevant B/A and calculated as set forth in the definition of the term "Acceptance Fee" in Section 1.01.

- (g) Interest on each Loan (other than pursuant to a B/A Borrowing) shall be payable at such times as are specified in this Credit Agreement. The Applicable Rate for each Contract Period or day within a Contract Period, shall be determined by the Administrative Agent, and such determination shall be presumptively correct absent manifest error.
- (h) For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or fee to be paid hereunder or in connection herewith is to be calculated on the basis of any period of time that is less than a calendar year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 365 or 366, as applicable. The rates of interest under this Credit Agreement are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Credit Agreement. Each of the Obligors confirms that it fully understands and is able to calculate the rate of interest applicable to each of the Credit Facilities based on the methodology for calculating per annum rates provided for in the Credit Agreement. The Administrative Agent agrees that if requested in writing by the Borrower it shall calculate the nominal and effective per annum rate of interest on any Loan outstanding at any time and provide such information to the Borrower promptly following such request; provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve the Borrower or any other Obligor of any of its obligations under this Agreement or any other Loan Document, nor result in any liability to the Administrative Agent or any Lender. Each Obligor hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Loan Documents, that the interest payable under the Loan Documents and the calculation thereof has not been adequately disclosed to the Obligors, whether pursuant to Section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.
- (i) Whenever a rate of interest or other rate per annum hereunder is expressed or calculated on the basis of a year of 360 days, such rate of interest or other rate shall be expressed as a rate per annum, calculated on the basis of a 365 day or a 366 day year, by multiplying such rate of interest or other rate by 365 or 366, as applicable, and dividing it by 360.

Section 2.08 Default Interest. If there shall occur and be continuing a Default or an Event of Default, the unpaid principal amount of the Loans (other than 2019 Loans) and other Obligations (other than a 2019 Loan) shall bear interest for each day from the date of such Default or Event of Default until such Default or Event of Default shall have been cured or waived at a rate per annum (the "Default Rate") equal to (i) in the case of any Loan, the rate that would be applicable to such Loan, plus 2.0% per annum (and in the case of B/A Loans, the Loans shall for purposes of this Section 2.08 automatically convert to Prime Rate Loans at the end of the Contract Period for such B/A Loans), and (ii) in the case of any Obligation other than a Loan, the rate that would be applicable if such Obligation were a Prime Rate Revolving Loan, plus 2.0% per annum, in each case payable on demand. The interest rate provided for in the preceding sentence shall, to the extent permitted by applicable law, apply to and accrue on the amount of any judgment entered with respect to any Obligation and shall continue to accrue at such rate during any bankruptcy proceeding.

Section 2.09 Termination and Reduction of Commitments.

- (a) The Revolving Commitment (including the Swingline Commitment and the Letter of Credit Commitment) shall terminate at 5:00 p.m., Standard Time, on the Maturity Date. The 2019 Commitment shall terminate at 5:00 p.m., Standard Time, on the Maturity Date.
- (b) Upon at least five Business Days' prior irrevocable written, email or fax notice to the Administrative Agent, Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Revolving Commitment, without premium or penalty; provided that (i) each partial reduction of such Revolving Commitment, shall be in an integral multiple of \$100,000 and in a minimum principal amount of \$500,000, and (ii) Borrower shall not be permitted to terminate or reduce the Revolving Commitment, if, as the result of such termination or reduction, the Revolving Credit Utilization would exceed the aggregate remaining Revolving Commitment.
- (c) Borrower shall pay to the Administrative Agent for the account of the applicable Lenders, on the date of each termination or reduction, the commitment fees provided for in Section 2.06 on the amount of the Commitments so terminated or reduced accrued to, but excluding, the date of such termination or reduction.
- (d) Nothing in this Section 2.09 shall prejudice any rights that Borrower may have against any Lender that fails to lend as required hereunder prior to the date of termination of any Commitment.

Section 2.10 Conversion and Continuation of Borrowings. Borrower shall have the right at any time upon prior irrevocable notice substantially in the form of Exhibit C (each, a "Notice of Conversion or Continuation") to the Administrative Agent (a) not later than 1:00 p.m., Standard Time, one Business Day before the proposed conversion, to convert any B/A Borrowing into a Prime Rate Borrowing and (b) not later than 1:00 p.m., Standard Time, one Business Day prior to conversion or continuation, to convert (subject to the other provisions of this Agreement) any Prime Rate Borrowing to a B/A Borrowing or to continue any B/A Borrowing as a B/A Borrowing for an additional Contract Period, subject in each case to the following:

- (i) each conversion or continuation shall be made pro rata among the Lenders in accordance with the respective principal amounts of the Loans comprising the converted or continued Borrowing;
- (ii) if less than all the outstanding principal amount of any Borrowing shall be converted or continued, the aggregate principal amount of such Borrowing converted or continued shall be in a minimum amount of \$500,000 and in an integral multiple of \$100,000;
- (iii) each conversion shall be effected by each Lender and the Administrative Agent by recording the particulars thereof in their respective accounts maintained pursuant to Section 2.05, and no new Loan shall be considered to have been made as a result thereof;
- (iv) any portion of a Borrowing maturing or required to be repaid in less than one month may not be converted into or continued as a B/A Borrowing;

- (v) any portion of a B/A Borrowing that cannot be converted into or continued as a B/A Borrowing by reason of clause (iv) above shall be automatically converted at the end of the Contract Period in effect for such Borrowing into a Prime Rate Borrowing;
- (vi) no B/A Borrowing may be converted or continued other than at the end of the Contract Period applicable thereto; and
- (vii) upon notice to Borrower from the Administrative Agent given at the request of the Required Lenders, after the occurrence and during the continuance of a Default or Event of Default, no outstanding Loan may be converted into, or continued as, a B/A Loan.

Each notice pursuant to this Section 2.10 shall be irrevocable and shall refer to this Credit Agreement and specify (A) the identity, amount and Class of the Borrowing that Borrower requests be converted or continued, (B) whether such Borrowing is to be converted to or continued as a B/A Borrowing or a Prime Rate Borrowing, (C) if such notice requests a conversion, the date of such conversion (which shall be a Business Day) and (D) if such Borrowing is to be converted to or continued as a B/A Borrowing, the Contract Period with respect thereto. If no Contract Period is specified in any such notice with respect to any conversion to or continuation as a B/A Borrowing, Borrower shall be deemed to have selected a Contract Period of one month's duration. The Administrative Agent shall advise the applicable Lenders of any notice given pursuant to this Section 2.10 and of each Lender's portion of any converted or continued Borrowing. If Borrower shall not have given notice in accordance with this Section 2.10 to continue any Borrowing into a subsequent Contract Period (and shall not otherwise have given notice in accordance with this Section 2.10 to convert such Borrowing), such Borrowing shall, at the end of the Contract Period applicable thereto (unless repaid pursuant to the terms hereof), automatically be continued as a Prime Rate Borrowing.

Section 2.11 Repayment of Term Borrowings.

- (a) To the extent not previously paid, all Term Loans shall be due and payable on the Maturity Date.
- (b) To the extent not previously paid, all Capex Loans shall be due and payable on the Maturity Date.
- (c) To the extent not previously paid, all 2019 Loans shall be due and payable on the Maturity Date.
- (d) All repayments pursuant to this Section 2.11 shall be subject to Section 2.16 and shall otherwise be without premium or penalty.

Section 2.12 Repayment of Subordinate Borrowings.

- (a) The Borrower shall pay to the Administrative Agent, for the account of the Subordinate Lenders, all outstanding Subordinate Loans on the Maturity Date.

Section 2.13 Optional Prepayments.

- (a) Borrower shall have the right at any time and from time to time to:
- (i) prepay any Prime Rate Borrowing, in whole or in part, upon written or fax notice (or telephone notice promptly confirmed by written, email or fax notice) delivered to the Administrative Agent by 1:00 p.m., Standard Time, at least one Business Day prior to the date designated for such prepayment; provided that each partial payment shall be in a minimum amount of \$500,000, and in an integral multiple of \$100,000; provided that notwithstanding the foregoing, repayment of Swingline Loans shall be permitted without notice and in any amount;
 - (ii) defease any B/A Loan by providing for the funding in full of the unmatured Bankers' Acceptances by paying to and depositing with the Administrative Agent cash collateral (the "Cash Collateral") for each such unmatured Bankers' Acceptance equal to the face amount payable at maturity thereof; such Cash Collateral deposited by Borrower may be invested by the Administrative Agent in Permitted Investments of the type referred to in clauses (a), (b), (c) and (g) of the definition thereof, as may be directed in writing by Borrower from time to time (the "Collateral Investments"); provided that Borrower shall direct said investments so that they mature in amounts sufficient to permit payment of the Obligations for maturing Bankers' Acceptances on the maturity dates thereof, with any interest thereon to be credited to Borrower. In the event that the Administrative Agent is not provided with instructions from Borrower to make Collateral Investments as provided herein, the Administrative Agent shall hold such Cash Collateral in a cash collateral account (the "Cash Collateral Account"). The (a) Cash Collateral, (b) Cash Collateral Accounts, (c) Collateral Investments, (d) any accounts receivable, claims, instruments or securities evidencing or relating to the foregoing, and (e) any proceeds of any of the foregoing (collectively, the "Outstanding BAs Collateral") shall be assigned to the Administrative Agent as security for the Obligations in relation to such Bankers' Acceptances and the Lien of the Administrative Agent thereby created in such Outstanding BAs Collateral shall rank in priority to all other Liens and adverse claims against such Outstanding BAs Collateral. Such Outstanding BAs Collateral shall be applied to satisfy the obligations of Borrower for such Bankers' Acceptances as they mature and the Administrative Agent is hereby irrevocably directed by Borrower to apply any such Outstanding BAs Collateral to such maturing Bankers' Acceptances. The Outstanding BAs Collateral created herein shall not be released to Borrower without the consent of the Administrative Agent; provided that any interest on such deposited amounts shall be for the account of Borrower and may be withdrawn by Borrower so long as no Default or Event of Default is then continuing. If, after maturity of the Bankers' Acceptances for which such Outstanding BAs Collateral is held and application by the Administrative Agent of the Outstanding BAs Collateral to satisfy the Obligations with respect to the Bankers' Acceptances being repaid, any interest or other proceeds of the Outstanding BAs Collateral remains, such interest or other proceeds shall be promptly paid and transferred by the Administrative Agent to Borrower so long as no Default or Event of Default is then continuing; and
 - (iii) repay unexpired Letters of Credit by returning such Letters of Credit to the Fronting Agent or by providing for the funding in full of the repayment of such

unexpired Letters of Credit by paying to and depositing with the Fronting Agent cash collateral for each such unexpired Letter of Credit equal to the maximum amount thereof, in Dollars; such cash collateral deposited by Borrower shall be held by the Fronting Agent in a cash collateral account. Such cash collateral accounts shall be assigned to the Fronting Agent as security for the Obligations in relation to such Letters of Credit and the Lien of the Fronting Agent thereby created in such cash collateral shall rank in priority to all other Liens and adverse claims against such cash collateral. Such cash collateral shall be applied to satisfy the Obligations for such Letters of Credit as payments are made thereunder and the Fronting Agent is hereby irrevocably directed by Borrower to so apply any such cash collateral. Amounts held in such cash collateral accounts may not be withdrawn by Borrower without the consent of the Fronting Agent. If after expiry of any Letter of Credit for which such funds are held and application by the Fronting Agent of the amounts in such cash collateral accounts to satisfy the obligations of Borrower hereunder with respect to such expired Letter of Credit being repaid, any excess with respect to such expired Letter of Credit remains, such excess shall be promptly paid by the Fronting Agent to Borrower so long as no Default or Event of Default is then continuing.

- (b) [INTENTIONALLY DELETED]
- (c) Each notice of optional prepayment shall specify (i) the amount to be prepaid, (ii) the prepayment date, (iii) the Class of Loans to be prepaid, (iv) whether the prepayment represents a permanent reduction in the applicable Commitment, and (v) the allocation of the amount specified pursuant to clause (i) among the Loans specified pursuant to clause (iii). Each notice of optional prepayment shall be irrevocable and shall commit Borrower to prepay such obligations by the amount specified therein on the date specified therein. All prepayments pursuant to this Section 2.13 shall be subject to Section 2.16 and shall otherwise be without premium or penalty.
- (d) No optional prepayment of Term Loans made by Borrower pursuant to this Section 2.13 shall reduce Borrower's obligation to make mandatory prepayments pursuant to Section 2.14.
- (e) Notwithstanding anything contained herein to the contrary, no optional prepayment of 2019 Loans shall be made by the Borrower without the prior consent of all of the 2019 Lenders. No optional prepayment of 2019 Loans made by Borrower pursuant to this Section 2.13 shall reduce Borrower's obligation to make mandatory prepayments pursuant to Section 2.14.

Section 2.14 Mandatory Prepayments.

- (a) On the date of any termination or reduction of the Revolving Commitments pursuant to Section 2.09, Borrower shall pay or prepay so much of the then outstanding Revolving Borrowings (or defease B/As Loans by complying with the provisions of Section 2.13(a)(ii)) as shall be necessary in order that the aggregate Revolving Credit Utilization (including, for certainty, the aggregate LC Exposure) at such time shall not exceed the aggregate Revolving Commitment (after giving effect to such termination or reduction).
- (b) [INTENTIONALLY DELETED]

- (c) No later than the second Business Day following receipt by a Loan Party of Net Cash Proceeds received in respect of any Asset Sale (other than the sale of inventory in the ordinary course of business) occurring on or after the Closing Date (provided that no Default or Event of Default shall have occurred and is continuing), Borrower shall deliver to the Administrative Agent an amount equal to 100% of such Net Cash Proceeds. The Administrative Agent shall apply the entire such amount as provided in Section 2.14(h) in repayment of the Loans. Notwithstanding the foregoing provisions of this Section 2.14(b), the proceeds from any such Net Cash Proceeds shall not be required to be so applied on such date to the extent that no Event of Default or Default then exists at the time of receipt of such Net Cash Proceeds and such Net Cash Proceeds are used or intended for use for a Sale Proceeds Reinvestment; provided that if all or any portion of such Net Cash Proceeds not so applied to the repayment of Loans are not so used for a Sales Proceeds Reinvestment, such remaining portion shall be applied within 180 days after such Asset Sale as a mandatory prepayment of principal of outstanding Loans as provided above in this Section 2.14(g).
- (d) Commencing with the Fiscal Year ended December 31, 2021 and subject to the unanimous written request of the 2019 Lenders, no later than ten (10) Business Days after the date on which the financial statements with respect to such period are delivered pursuant to Section 6.06(b), but in any event no later than 30 days after the end of each Fiscal Quarter (or portion thereof) of Borrower, Borrower shall prepay outstanding 2019 Loans in accordance with Section 2.14(h) in an aggregate principal amount equal to 100% of the amount of Excess Cash Flow for the Fiscal Quarter then ended, less any voluntary permanent prepayment of the 2019 Loans made in accordance with Section 2.13.
- (e) In the event that any Loan Party shall receive Net Cash Proceeds from the issuance or other disposition of Indebtedness for money borrowed (other than Indebtedness for money borrowed permitted pursuant to Section 7.01, the Capital Contribution and Indebtedness in which the Net Cash Proceeds are to be used (and are subsequently used) for Capital Expenditures within 180 days of the date of incurrence), Borrower shall not later than the second Business Day next following the receipt of such Net Cash Proceeds by such Loan Party, apply an amount equal to 100% of such Net Cash Proceeds to prepay outstanding Loans in accordance with Section 2.14(h);
- (f) In the event that any Loan Party shall receive Net Cash Proceeds from the issuance of shares of any class of stock of any Loan Party of any Loan Party (other than where the Net Cash Proceeds are to be used (and are subsequently used) for Capital Expenditures within 120 days of the date of incurrence), Borrower shall not later than the second Business Day next following the receipt of such Net Cash Proceeds by such Loan Party, apply an amount equal to 50% of such Net Cash Proceeds to prepay outstanding Loans in accordance with Section 2.14(h).
- (g) Mandatory prepayments of Loans pursuant to Section 2.14(c), (d), (e) and (f) above shall be applied: first, to repay 2019 Loans owing to 2019 Lenders (other than CIBC), second, to repay 2019 Loans owing to CIBC, third, to repay Term Loans; third, to repay Capex Loans; fourth, to Revolving Loans with the Revolving Commitment being permanently reduced by the amounts so applied on a dollar-for-dollar basis; and fifth, to Subordinate Loans.

- (h) Borrower shall deliver to the Administrative Agent, (i) at the time of each prepayment by Borrower required under Section 2.14(b), (d), (e) and (f) above, a certificate signed by a Financial Officer of Borrower setting forth in reasonable detail the calculation of the amount of such prepayment and (ii) at least two Business Days prior to the time of each prepayment required under this Section 2.14, a notice of such prepayment. Each notice of prepayment shall specify the prepayment date, the Class and Type of each Loan being prepaid (which specification shall comply with this Section 2.14) and the principal amount of each Loan and Commitment (or portion thereof) to be prepaid and permanently reduced. All prepayments of Borrowings under this Section 2.14 shall be subject to Section 2.16 and shall otherwise be without premium or penalty.
- (i) To the extent consistent with Section 2.14(h) above, amounts to be applied pursuant to this Section 2.14 to the prepayment of Loans shall be applied to reduce outstanding Prime Rate Loans prior to being applied to reduce B/A Loans.

Section 2.15 Reserve Requirements; Change in Circumstances; Increased Costs.

- (a) Notwithstanding any other provision herein, if after the Closing Date any change in applicable law or regulation or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof (whether or not having the force of law), including with respect to the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and all requests, rules, regulations, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any Governmental Authority with respect to the implementation of the Basel III Accord, regardless of the date adopted or so changed (each, a "Change of Law") shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by the Fronting Agent or any Lender (except any such reserve requirement that is reflected in the Prime Rate) or shall impose on the Fronting Agent or any Lender or the Canadian interbank market any other condition affecting this Agreement or Loans made by such Lender or any Letter of Credit obligations, and the result of any of the foregoing shall be to increase the cost (other than Taxes on such Lender's capital or overall income) to such Lender of making or maintaining any Loan or of issuing or maintaining any Letter of Credit or purchasing or maintaining a participation therein or to reduce the amount of any sum received or receivable by any Lender or the Fronting Agent hereunder (whether of principal, interest or otherwise) by an amount deemed by such Lender or the Fronting Agent to be material, then Borrower will pay to such Lender or the Fronting Agent, following receipt by Borrower of a certificate of such Lender or the Fronting Agent to such effect in accordance with Section 2.15(c) hereof, such additional amount or amounts as will compensate such Lender or the Fronting Agent on an after-tax basis for such additional costs incurred or reduction suffered and which relate to the Loans and the Commitments hereunder.
- (b) If any Lender or the Fronting Agent shall have determined that any Change of Law after the Closing Date, or compliance by any Lender (or any lending office of such Lender) or the Fronting Agent or any Lender's or Fronting Agent's holding company, if any, with any Change of Law, has or would have the effect of reducing the rate of return on such Lender's or the Fronting Agent's capital or on the capital of such Lender's or the Fronting Agent's holding company, if any, as a consequence of this Credit Agreement or the

Loans made by such Lender, or the Letters of Credit issued by the Fronting Agent pursuant hereto, to a level below that which such Lender or the Fronting Agent's or such Lender's or the Fronting Agent's holding company, if any, could have achieved but for such Change of Law or compliance therewith (taking into consideration such Lender's or the Fronting Agent's policies and the policies of such Lender's or the Fronting Agent's holding company, if any, with respect to capital adequacy), then from time to time Borrower shall pay to such Lender or the Fronting Agent, following receipt by Borrower of a certificate of such Lender or the Fronting Agent to such effect in accordance with Section 2.15(c) hereof, such additional amount or amounts as will compensate such Lender or the Fronting Agent or the Lender's or the Fronting Agent's holding company, if any, on an after-tax basis for any such reduction suffered.

- (c) A certificate of a Lender or the Fronting Agent setting forth the amount or amounts necessary to compensate such Lender or the Fronting Agent, as specified in paragraph (a) or (b) of this Section 2.15 ("Additional Compensation"), including a description of the event by reason of which it believes it is entitled to such compensation, and supplying reasonable supporting evidence (including, in the event of a Change of Law, a photocopy of the law evidencing such change) and reasonable detail of the basis of calculation of the amount or amounts, and delivered to Borrower shall be conclusive absent manifest error. Borrower shall pay such Lender or the Fronting Agent the amount shown as due on any such certificate within 10 days after receipt thereof. In the event such Lender or the Fronting Agent subsequently recovers all or part of the Additional Compensation paid by Borrower, it shall promptly repay an equal amount to Borrower. The obligation to pay such Additional Compensation for subsequent periods will continue until the termination of the Commitment affected by the Change of Law, change in capital requirement or the lapse or cessation of the Change of Law giving rise to the Additional Compensation. Each Lender shall make reasonable efforts to limit the incidence of any such Additional Compensation and seek recovery for the account of Borrower, upon Borrower's request and at Borrower's expense; provided that such Lender in its reasonable determination suffers no appreciable economic, legal, regulatory or other disadvantage. Notwithstanding the foregoing provisions, a Lender shall only be entitled to rely upon the provisions of this Section 2.15 if and for so long as it is not treating Borrower in any materially different or in any less favourable manner than is applicable to any other customers of such Lender, where such other customers are bound by similar provisions to the foregoing provisions of this Section 2.15.
- (d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.15 shall not constitute a waiver of such Lender's right to demand such compensation, except that Borrower shall not be required to compensate a Lender pursuant to this Section 2.15 for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies Borrower of the Change of Law giving rise to such increased costs or reductions and of such Lender's intention to claim Additional Compensation therefor, unless the Change of Law giving rise to such increased costs or reductions is retroactive, in which case the nine-month period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.16 Indemnity. Borrower shall indemnify each Lender against any loss or expense that such Lender may sustain or incur with respect to B/A Loans as a consequence of (a) any failure by Borrower to fulfill on the date of any Borrowing hereunder the applicable conditions set forth in Article V, (b) any failure by Borrower to borrow or to convert or continue any Loan

hereunder after irrevocable notice of such borrowing, conversion or continuation has been given pursuant to Section 2.03 or Section 2.10, (c) any payment, prepayment or conversion of a B/A Loan required or permitted by any other provision of this Credit Agreement or otherwise, or any assignment of a B/A Loan required by Section 2.21(b), in each case made or deemed made on a date other than the last day of the Contract Period applicable thereto, and (d) any default in payment or prepayment of the principal amount of any Loan or any part thereof or interest accrued thereon, as and when due and payable (at the due date thereof, whether at scheduled maturity, by acceleration, irrevocable notice of prepayment or otherwise), including, in each such case, any loss or reasonable expense sustained or incurred or to be sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Loan or any part thereof as a B/A Loan. Such loss or reasonable expense shall be equal to the sum of (i) such Lender's actual costs and expenses incurred (other than any lost profits) in connection with, or by reason of, any of the foregoing events and (ii) an amount equal to the excess, if any, as reasonably determined by such Lender, of (A) its cost of obtaining the funds for the Loan being paid, prepaid, converted or not borrowed, converted or continued (assumed to be the Discount Rate applicable thereto) for the period from and including the date of such payment, prepayment, conversion or failure to borrow, convert or continue to but excluding the last day of the Contract Period for the Loan (or, in the case of a failure to borrow, convert or continue, the Contract Period for such Loan that would have commenced on the date of such failure) over (B) the amount of interest (as reasonably determined by such Lender) that would be realized by such Lender in reemploying the funds so paid, prepaid, converted or not borrowed, converted or continued for such period or Contract Period, as the case may be; provided that Borrower shall not be liable to any Lender for the payment of any loss or expense resulting solely from any Lender's gross negligence or wilful misconduct as determined by a final non-appealable decision of a court of competent jurisdiction. A certificate of any Lender setting forth any amount or amounts, including calculations in reasonable detail, that such Lender is entitled to receive pursuant to this Section 2.16 shall be delivered to Borrower and shall be conclusive absent manifest error.

Section 2.17 Pro Rata Treatment. Except as permitted under Section 2.14(b) and other than in connection with Swingline Loans, each Borrowing, each payment or prepayment of principal of any Borrowing, each payment of interest on the Loans, each payment of fees due to the Lenders under the Loan Documents, each reduction of the Commitments of a Class and each conversion of any Borrowing to or continuation of any Borrowing as a Borrowing of any Type shall be allocated *pro rata* among the Lenders in accordance with their respective applicable Commitments (provided that (a) in the case of Term Loans or (b) in the event that such Commitments shall have expired or been terminated, such *pro rata* allocation shall be based on the respective principal amounts of the outstanding Loans (other than Swingline Loans)). Each Lender agrees that in computing such Lender's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its sole discretion, round each Lender's percentage of such Borrowing, computed in accordance with Section 2.01, to the next higher or lower whole Dollar amount. In addition, each Lender agrees that the Administrative Agent may, in its sole discretion, increase or reduce any Lender's portion of a B/A Loan to the extent provided in Section 2.12 or Section 2.22. For certainty, if one of the 2019 Lenders does not fund its *pro rata* share of any Borrowing in accordance with its 2019 Commitment, the other 2019 Lenders shall not have any funding obligations in respect of such Borrowing.

Section 2.18 Sharing of Set-Offs and Realization of Security. Each Lender agrees that if it shall through the exercise of a right of banker's lien, combination of accounts, setoff or counterclaim against any Loan Party, or pursuant to a secured claim under any applicable Insolvency Law or other security or interest arising from, or in lieu of, such secured claim,

received by such Lender under any applicable Insolvency Law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Loans and accrued interest thereon as a result of which the unpaid principal portion of its Loans and accrued interest thereon shall be proportionately less than the unpaid principal portion of the Loans and accrued interest thereon of any other Lender, such Lender shall be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in the Loans and accrued interest thereon of such other Lender, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of the principal of and accrued interest on their respective Loans; provided, however, that if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.17 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest. Borrower expressly consents to the foregoing arrangements and agrees that any Lender holding a participation pursuant to the foregoing arrangements may, subject to the terms of Section 10.07, exercise any and all rights of banker's lien, combination of accounts or setoff with respect to any and all moneys owing by the Loan Parties to such Lender by reason thereof as fully as if such Lender were a direct creditor of Borrower in the amount of such participation.

Section 2.19 Payments.

- (a) Borrower shall make each payment (including payment of principal of or interest on any Loan or any fees) hereunder and under any other Loan Document not later than 12:00 noon, Standard Time, on the date when due in immediately available funds, without defence, setoff or counterclaim. All payments hereunder of principal or interest in respect of any Loan (or of any breakage indemnity in respect of any Loan) and any other payments hereunder and under each other Loan Document shall be made in Dollars. Each such payment (other than (i) the payments specified in Section 2.06 and Section 3.05 to be made to the Fronting Agent, which shall be paid directly to the Fronting Agent, (ii) payments of principal of and interest on Swingline Loans, which shall be paid directly to the Swingline Lender, and (iii) payments pursuant to Section 2.15, Section 2.16, Section 2.20, and Section 11.05, which shall be made to the Persons entitled thereto) shall be made to the account of the Administrative Agent, as the Administrative Agent shall specify by notice to Borrower. Payments made directly to the Fronting Agent shall be made to such account of the Fronting Agent as the Fronting Agent Lender shall specify by notice to Borrower. Any payments received by the Administrative Agent or the Fronting Agent after the specified time for receipt of such payment on any day shall be deemed to have been received on the next Business Day. The Administrative Agent shall distribute to the applicable Lenders all payments received by it for their respective accounts, promptly following receipt thereof.
- (b) Whenever any payment (including any payment of principal of or interest on any Borrowing or any fees) hereunder or under any other Loan Document shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or fees, if applicable.

Section 2.20 Taxes.

- (a) Any and all payments by the Loan Parties hereunder and under the other Loan Documents shall be made free and clear of and without deduction for any and all current

or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, with respect to the Administrative Agent, the Fronting Agent, or any Lender (or any transferee or assignee of any of the foregoing, including a participation holder (any such Person being called a "Transferee")) taxes imposed on the overall net income or capital of the Administrative Agent, the Fronting Agent, or such Lender (or Transferee), as the case may be, and taxes arising from the Administrative Agent, the Fronting Agent, or such Lender (or Transferee), as the case may be, failing to be a resident of Canada or be deemed to be a resident of Canada for purposes of the ITA, and franchise taxes (to the extent imposed in lieu of net income taxes) imposed on the Administrative Agent, the Fronting Agent, or such Lender (or Transferee), as the case may be, in each case, imposed by the jurisdiction under the laws of which the Administrative Agent, the Fronting Agent, or such Lender (or Transferee) is organized, or in which the Administrative Agent, the Fronting Agent, or such Lender (or Transferee) has its principal office or lending office or any political subdivision or taxing authority thereof or therein or in any other jurisdiction in which the Administrative Agent, the Fronting Agent, or such Lender (or Transferee) is otherwise doing business (or, if a treaty applies, a jurisdiction in which the Administrative Agent, the Fronting Agent, or such Lender (or Transferee) has a permanent establishment) other than any jurisdiction in which the Administrative Agent, the Fronting Agent, or such Lender (or Transferee) is treated as doing business (or, if a treaty applies, is treated as having a permanent establishment) as a result of having executed, delivered or performed its obligations or received a payment hereunder or exercised or enforced any rights hereunder or any other Loan Document (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If any Taxes (including, for the avoidance of doubt withholding taxes) are required to be deducted from or in respect of any sum payable hereunder by or on behalf of any Loan Party to Administrative Agent, the Fronting Agent, or such Lender (or any Transferee), (i) the sum payable shall be increased by the amount necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.20) such Lender (or Transferee) or Administrative Agent or the Fronting Agent, shall receive an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions, and (iii) Borrower shall pay the full amount deducted to the relevant taxing authority or other Governmental Authority in accordance with applicable law.

- (b) Borrower agrees to pay any current or future stamp, intangible or documentary taxes or any other excise or property taxes, charges or similar levies (including mortgage recording taxes and similar fees) that arise from any payment made hereunder or from the execution, delivery, enforcement or registration of, or otherwise with respect to, this Credit Agreement, or any other Loan Document (hereinafter referred to as "Other Taxes").
- (c) Borrower will indemnify each Lender (or Transferee), the Fronting Agent, and the Administrative Agent for the full amount of Taxes and Other Taxes (including any taxes on amounts payable under this Section 2.20) paid by such Lender (or Transferee), the Fronting Agent, or the Administrative Agent, as the case may be, and any liability (including penalties, interest and reasonable expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted by the relevant taxing authority or other Governmental Authority; provided that Borrower shall not be liable to any such Lender (or Transferee), the Fronting Agent, or the Administrative Agent for the payment of any Taxes or Other Taxes resulting solely from

the Lender's (or Transferee's), the Fronting Agent's, or the Administrative Agent's negligence or wilful misconduct as determined by a final non-appealable decision of a court of competent jurisdiction. Such indemnification shall be made within 30 days after the date such Lender (or Transferee), the Fronting Agent, or the Administrative Agent makes written demand therefor (which demand shall identify the nature and amount of Taxes and Other Taxes for which indemnification is being sought).

- (d) Within 30 days after the date of any payment of Taxes or Other Taxes withheld by Borrower in respect of any payment to any Lender (or Transferee), the Fronting Agent, or the Administrative Agent, Borrower will furnish to the Administrative Agent, at the addresses referred to in Section 11.01, the original or a certified copy of a receipt evidencing payment thereof or other evidence reasonably satisfactory to such Lender (or Transferee), the Fronting Agent, or the Administrative Agent, as the case may be.
- (e) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 2.20 shall survive the payment in full of the principal of and interest on all Loans made hereunder.
- (f) If the Administrative Agent, any Lender (or Transferee), or the Fronting Agent, as the case may be, receives a refund of, or credit for, Taxes for which a payment has been made by Borrower under this Section 2.20, which refund or credit in the good faith judgment of the Lender (or Transferee), as the case may be, is attributable to the Taxes giving rise to such payment made by Borrower, then the Lender (or Transferee), as the case may be, shall reimburse Borrower for such amount (if any, but not exceeding the amount of any payment made under this Section 2.20 that gives rise to such refund or credit, and without interest, other than any interest paid by the relevant Governmental Authority with respect to such refund), net of out-of-pocket expenses (including Taxes) of the Lender (or Transferee), as the case may be, which the Administrative Agent, such Lender (or Transferee), or the Fronting Agent, as the case may be, determines in its absolute discretion will leave it, after such reimbursement, in no better or worse position than it would have been in if such Taxes had not been exigible. Borrower, upon the request of the Lender (or Transferee), as the case may be, agrees to repay the Administrative Agent, such Lender (or Transferee), or the Fronting Agent, as the case may be, any portion of any such refund or credit paid over to Borrower that the Lender (or Transferee), as the case may be, is required to pay to the relevant Governmental Authority and agrees to pay any interest, penalties or other charges paid by the Administrative Agent, such Lender (or Transferee), or the Fronting Agent, as the case may be, as a result of or related to such payment to such Governmental Authority. None of the Administrative Agent, such Lender (or Transferee), or the Fronting Agent, as the case may be, shall be under any obligation to arrange its tax affairs in any particular manner so as to claim any refund or credit.
- (g) None of the Administrative Agent, such Lender (or Transferee), or the Fronting Agent, as the case may be, shall be under any obligation to arrange its tax affairs in any particular manner or be obliged to disclose any information regarding its tax affairs or computations to Borrower or any other Person in connection with this Section 2.20.

Section 2.21 Duty to Mitigate; Replacement of Lenders.

- (a) Any of the Administrative Agent, the Fronting Agent or the Lenders (or Transferees) claiming any Additional Compensation payable pursuant to Section 2.15 or Section 2.20

shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document requested by Borrower or to change the jurisdiction of its applicable lending office if the making of such filing or change would avoid the need for or reduce the amount of any such Additional Compensation that may thereafter accrue or avoid the circumstances giving rise to such exercise and would not, in the sole determination of such Lender (or Transferee), Fronting Agent or the Administrative Agent, as the case may be, require it to incur additional costs or be otherwise disadvantageous to such Lender (or Transferee), Fronting Agent or the Administrative Agent.

- (b) In the event that any Lender shall have delivered a notice or certificate pursuant to Section 2.15 or defaults in its obligations to make Loans hereunder, or Borrower shall be required to pay Additional Compensation or make additional payments to any Lender under Section 2.20, Borrower shall have the right, but not the obligation, at its own expense (including with respect to the processing and recordation fee referred to in Section 11.04(b)), upon notice to such Lender and the Administrative Agent, to replace such Lender with an assignee (in accordance with and subject to the restrictions contained in Section 11.04(b)) approved by the Administrative Agent, which approval shall not be unreasonably withheld, and such Lender hereby agrees to transfer and assign without recourse (in accordance with and subject to the restrictions contained in Section 11.04(b)) all its interests, rights and obligations under this Credit Agreement to such assignee; provided that no Lender shall be obligated to make any such assignment unless (i) such assignment shall not conflict with any law or any rule, regulation or order of any Governmental Authority, (ii) such assignee shall pay to the affected Lender in immediately available funds on the date of such assignment the principal of the Loans made by such Lender hereunder and (iii) Borrower shall pay to the affected Lender in immediately available funds on the date of such assignment the interest accrued to the date of payment on the Loans made by such Lender hereunder and all other amounts accrued for such Lender's account or owed to it hereunder.
- (c) If, in connection with any proposed amendment, modification, change, waiver, discharge or termination to any of the provisions of this Credit Agreement as contemplated by Section 11.08(b), the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then Borrower shall have the right, but not the obligation, at its own expense (including with respect to the processing and recordation fee referred to in Section 11.04(b)) upon notice to such Lender and the Administrative Agent, to replace each such non-consenting Lender or Lenders (or, at the option of Borrower, if such Lender's consent is required with respect to less than all Loans, to replace only the respective Loans of the respective non-consenting Lender which gave rise to the need to obtain such Lender's individual consent) with an assignee (in accordance with and subject to the restrictions contained in Section 11.04(b)) approved by the Administrative Agent, which approval shall not be unreasonably withheld, so long as at the time of such replacement, each such assignee consents to the proposed amendment, modification, change, waiver, discharge or termination; provided, however, that no Lender shall be obligated to make any such assignment unless (i) such assignment shall not conflict with any law or any rule, regulation or order of any Governmental Authority, (ii) such assignee shall pay to the non-consenting Lender in immediately available funds on the date of such assignment the principal of the Loans made by such Lender hereunder and subject to such assignment and (iii) Borrower shall pay to the non-consenting Lender in immediately available funds on the date of such assignment the interest accrued to the

date of payment on the Loans made by such Lender hereunder and subject to such assignment and all other amounts accrued for such Lender's account or owed to it hereunder with respect to such Loans.

Section 2.22 Bankers' Acceptances.

- (a) Subject to the terms and conditions of this Credit Agreement, Borrower may request a Borrowing denominated in Dollars by presenting drafts for acceptance and purchase as B/As by the Lenders.
- (b) No Contract Period with respect to a B/A shall be accepted and, if applicable, purchased or deemed purchased as a Loan shall extend, beyond the Maturity Date. All B/As and B/A Loans shall be denominated in Dollars.
- (c) To facilitate availment of B/A Loans, Borrower hereby appoints each Lender as its attorney to sign and endorse on its behalf (in accordance with a Notice of Borrowing relating to a B/A Loan pursuant to Section 2.03 or Section 2.10), in handwriting or by facsimile or mechanical signature as and when deemed necessary by such Lender, blank forms of B/As in the form requested by such Lender. Borrower recognizes and agrees that all B/As signed or endorsed by a Lender on behalf of Borrower shall bind Borrower as fully and effectually as if signed in the handwriting of and duly issued by the proper signing officers of Borrower. Each Lender is hereby authorized (in accordance with a notice of Borrowing relating to a B/A Loan) to issue such B/As endorsed in blank in such face amounts as may be determined by such Lender; provided that the aggregate amount thereof is equal to the aggregate amount of B/As required to be accepted and purchased by such Lender. No Lender shall be liable for any damage, loss or other claim arising by reason of any loss or improper use of any such instrument except for the gross negligence or wilful misconduct of such Lender or its officers, employees, agents or representatives as determined by a final non-appealable decision of a court of competent jurisdiction. Each Lender shall maintain a record, which shall be made available to Borrower upon its request, with respect to B/As (i) received by it in blank hereunder, (ii) voided by it for any reason, (iii) accepted and purchased by it hereunder, and (iv) cancelled at their respective maturities. On request by or on behalf of Borrower, a Lender shall cancel all forms of B/As which have been pre-signed or pre-endorsed on behalf of Borrower and that are held by such Lender and are not required to be issued in accordance with Borrower's irrevocable notice. Alternatively, Borrower agrees that, at the request of the Administrative Agent, Borrower shall deliver to the Administrative Agent a "depository note" which complies with the requirements of the *Depository Bills and Notes Act* (Canada), and consents to the deposit of any such depository note in the book-based debt clearance system maintained by the Canadian Depository for Securities.
- (d) Drafts of Borrower to be accepted as B/As hereunder shall be signed as set forth in this Section 2.22. Notwithstanding that any Person whose signature appears on any B/A may no longer be an authorized signatory for any Lender or Borrower at the date of issuance of a B/A, such signature shall nevertheless be valid and sufficient for all purposes as if such authority had remained in force at the time of such issuance and any such B/A so signed shall be binding on Borrower.
- (e) Promptly following the receipt of a Notice of Borrowing specifying a Borrowing by way of B/A, the Administrative Agent shall so advise the Lenders and shall advise each Lender

of the aggregate face amount of the B/A to be accepted by it and the applicable Contract Period (which shall be identical for all Lenders). In the case of Loans comprised of B/A Loans, the aggregate face amount of the B/A to be accepted by a Lender shall be in a minimum aggregate amount of \$500,000 and shall be a whole multiple of \$100,000, and such face amount shall be in the Lenders' pro rata portions of such Borrowing, provided that the Administrative Agent may in its sole discretion increase or reduce any Lender's portion of such B/A Loan to the nearest \$1,000 without reducing the aggregate Revolving Commitments.

- (f) Borrower may specify in a Notice of Borrowing pursuant to Section 2.03 or Section 2.10 that it desires that any B/A requested by such Notice of Borrowing be purchased by the Lenders, in which case the Lenders shall, upon acceptance of a B/A by a Lenders, purchase each B/A from Borrower at the Discount Rate for such Lender applicable to such B/A accepted by it and provide to the Administrative Agent the Discount Proceeds for the account of Borrower. The Acceptance Fee payable by Borrower to such Lender under Section 2.07(f) in respect of each B/A accepted (which shall include continuations) by such Lender shall be set off against and deducted from the Discount Proceeds payable by such Lender under this Section 2.22.
- (g) Each Lender may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all B/As accepted and purchased by it.
- (h) If a Lender is not a chartered bank under the *Bank Act* (Canada) or if a Lender notifies the Administrative Agent in writing that it is otherwise unable to accept Bankers' Acceptances, such Lender will, instead of accepting and purchasing Bankers' Acceptances, make an advance (a "B/A Equivalent Loan") to Borrower in the amount and for the same term as the draft that such Lender would otherwise have been required to accept and purchase hereunder. Each such Lender will provide to the Administrative Agent the Discount Proceeds of such B/A Equivalent Loan for the account of Borrower. Each such B/A Equivalent Loan will bear interest at the same rate that would result if such Lender had accepted (and been paid an Acceptance Fee) and purchased (on a discounted basis at the Discount Rate) a Bankers' Acceptance for the relevant Contract Period (it being the intention of the parties that each such B/A Equivalent Loan shall have the same economic consequences for such Lender and Borrower as the Bankers' Acceptance which such B/A Equivalent Loan replaces). All such interest shall be paid in advance on the date such B/A Equivalent Loan is made, and will be deducted from the principal amount of such B/A Equivalent Loan in the same manner in which the Discount Proceeds of a Bankers' Acceptance would be deducted from the face amount of the Bankers' Acceptance.
- (i) Borrower waives presentment for payment and any other defence to payment of any amounts due to a Lender in respect of a B/A accepted and purchased by it pursuant to this Credit Agreement which might exist solely by reason of such B/A being held, at the maturity thereof, by such Lender in its own right, and Borrower agrees not to claim any days of grace if such Lender, as holder, claims payment from or sues Borrower on the B/A for payment of the amount payable by Borrower thereunder. On the last day of the Contract Period of a B/A, or such earlier date as may be required or permitted pursuant to the provisions of this Credit Agreement, Borrower shall pay the Lender that has accepted and purchased a B/A or advanced a B/A Equivalent Loan the full face amount of such B/A or B/A Equivalent Loan, as the case may be, and, after such payment, Borrower shall have no further liability in respect of such B/A and such Lender shall be

entitled to all benefits of, and be responsible for all payments due to third parties under, such B/A.

- (j) Except as required by any Lender upon the occurrence of an Event of Default, no B/A Loan may be repaid by Borrower prior to the expiry date of the Contract Period applicable to such B/A Loan; provided that any B/A Loan may be defeased as provided in Section 2.13(a)(ii).
- (k) Any B/A Borrowing that is not repaid on the last day of the Contract Period in accordance with Section 2.22(i) above shall be automatically converted at the end of such Contract Period into a Prime Rate Borrowing.

ARTICLE III LETTERS OF CREDIT

Section 3.01 General. Subject to the terms and conditions set forth herein, Borrower may request the issuance of Letters of Credit denominated in Dollars, for its own account, by the Fronting Agent, in a form reasonably acceptable to the Fronting Agent and the Administrative Agent, at any time and from time to time during the period from the Closing Date to the date that is 30 days prior to the Maturity Date. In the event of any inconsistency between the terms and conditions of this Credit Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by Borrower to, or entered into by Borrower with, the Fronting Agent relating to any Letter of Credit, the terms and conditions of this Credit Agreement shall take precedence.

Section 3.02 Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit, Borrower shall hand deliver or fax (or transmit by electronic communication, if arrangements for doing so have been approved by the Fronting Agent) to the Fronting Agent, three Business Days in advance of the requested date of issuance, a Letter of Credit Request. To request any amendment, renewal or extension of any outstanding Letter of Credit, Borrower shall hand deliver or fax (or transmit by electronic communication, if arrangements for doing so have been approved by the Fronting Agent) to the Fronting Agent and the Administrative Agent, three Business Days in advance of the requested date of amendment, renewal or extension, a notice on Borrower's letterhead identifying the Letter of Credit and the date of the requested amendment, renewal or extension (which must be a Business Day) and indicating the specifics of such amendment, renewal or extension. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit, Borrower shall be deemed to represent and warrant that) after giving effect to such issuance, amendment, renewal or extension (a) the LC Exposure shall not exceed an amount equal to the Letter of Credit Commitment and, (b) the Revolving Credit Utilization shall not exceed the aggregate Revolving Commitment. Promptly after the issuance or amendment of any Letter of Credit, the Fronting Agent shall notify the Administrative Agent and Borrower in writing of such issuance or amendment and such notice shall be accompanied by a copy of such issued or amended Letter of Credit. Upon receipt of such notice, the Administrative Agent shall promptly notify each Revolving Lender in writing of such issuance or amendment, and if any Revolving Lender shall so request, the Administrative Agent shall provide such Lender with a copy of such issued or amended Letter of Credit.

Section 3.03 Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earliest of (a) the date one year after the date of the issuance of such Letter of

Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (b) the date that is five Business Days prior to the Maturity Date.

Section 3.04 Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Fronting Agent or the Lenders, the Fronting Agent hereby grants to each Revolving Lender, and each such Revolving Lender hereby acquires from the Fronting Agent, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit, effective upon the issuance of such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Fronting Agent, such Lender's Applicable Percentage of each LC Disbursement in respect of a Letter of Credit made by the Fronting Agent and not reimbursed by Borrower on the date due, or of any reimbursement payment required to be refunded to Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this Section 3.04 in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or an Event of Default or reduction or termination of the Revolving Commitment, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

Section 3.05 Reimbursement. If the Fronting Agent shall pay any draft or other form of demand presented under a Letter of Credit, Borrower shall pay to the Fronting Agent an amount equal to the amount of such draft or other form of demand not later than two hours after Borrower shall have received notice from the Fronting Agent that payment of such draft or other form of demand will be made or, if Borrower shall have received such notice later than 1:00 p.m., Standard Time, on any Business Day, not later than 10:00 a.m., Standard Time, on the immediately following Business Day; provided that Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such reimbursement payment be financed with a Prime Rate Borrowing in an equivalent amount and, to the extent so financed, the obligations of Borrower in respect of such LC Disbursement shall be discharged and replaced by the resulting Prime Rate Borrowing. If Borrower fails to make such reimbursement payment when due and such reimbursement payment is not financed with a Borrowing as contemplated by the immediately preceding sentence, the Fronting Agent shall notify the Administrative Agent, which shall in turn notify each Revolving Lender of such LC Disbursement, the reimbursement payment then due from Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent an amount equal to such Lender's Applicable Percentage of the reimbursement payment then due from Borrower, in the same manner as provided in Section 2.02(c) with respect to Loans made by such Lender (and Section 2.02(c)) shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Lenders under this Section 3.04), and the Administrative Agent shall promptly pay to the Fronting Agent the amounts so received by it from the Revolving Lenders (it being understood and agreed that (i) if the conditions precedent to borrowing set forth herein have been met, then any such amount paid by any Revolving Lender shall be deemed to constitute a Prime Rate Loan of such Lender and, to the extent of such payment, the obligations of Borrower in respect of such LC Disbursement shall be discharged and replaced by the resulting Prime Rate Borrowing, and (ii) if such conditions precedent to borrowing have not been met, then any such amount paid by any Revolving Lender shall not constitute a Loan and shall not relieve Borrower of its obligation to reimburse such LC Disbursement). The Fronting Agent will promptly notify the Administrative Agent of any amount subsequently received by it from Borrower or another Loan Party in

respect of such LC Disbursement and, in the event that Revolving Lenders have made payments pursuant to this Section 3.04, shall promptly remit to the Administrative Agent any such amount, and the Administrative Agent shall distribute such amount to the Revolving Lenders and the Fronting Agent as their interests may appear.

Section 3.06 Obligations Absolute. Borrower's obligation to repay the Fronting Agent for LC Disbursements made by the Fronting Agent under the outstanding Letters of Credit for the account of Borrower shall be absolute, unconditional and irrevocable under any and all circumstances and irrespective of:

- (a) any lack of validity or enforceability of any Letter of Credit;
- (b) the existence of any claim, setoff, defence or other right that Borrower or any other Person may at any time have against the beneficiary or transferee under any Letter of Credit, the Fronting Agent, the Administrative Agent, any Lender or any other Person (other than the defence of payment in accordance with the terms of this Credit Agreement or a defence based on the gross negligence or wilful misconduct of the Fronting Agent as determined by a final non-appealable decision of a court of competent jurisdiction) in connection with this Credit Agreement or any other agreement or transaction;
- (c) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect, provided that payment by the Fronting Agent under such Letter of Credit against presentation of such draft or document shall not have constituted gross negligence or wilful misconduct of the Fronting Agent as determined by a final non-appealable decision of a court of competent jurisdiction;
- (d) payment by the Fronting Agent under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, provided that such payment shall not have constituted gross negligence or wilful misconduct of the Fronting Agent as determined by a final non-appealable decision of a court of competent jurisdiction; and
- (e) any other circumstance or event whatsoever, whether or not similar to any of the foregoing, provided that such circumstance or event shall not have been the result of gross negligence or wilful misconduct of the Fronting Agent as determined by a final non-appealable decision of a court of competent jurisdiction.

It is understood that in making any payment under a Letter of Credit (i) the Fronting Agent's exclusive reliance on the documents presented to it under such Letter of Credit as to any and all matters set forth therein, including reliance on the amount of any draft presented under such Letter of Credit, whether or not the amount due to the beneficiary equals the amount of such draft and whether or not any document presented pursuant to such Letter of Credit proves to be insufficient in any respect, if such document on its face appears to be in order, and whether or not any other statement or any other document presented pursuant to such Letter of Credit proves to be forged or invalid or any statement therein proves to be inaccurate or untrue in any respect whatsoever, and (ii) any noncompliance in any immaterial respect of the documents presented under a Letter of Credit with the terms thereof shall not, in each case, be deemed wilful misconduct or gross negligence of the Fronting Agent as determined by a final non-appealable decision of a court of competent jurisdiction.

Section 3.07 Disbursement Procedures. The Fronting Agent shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Fronting Agent shall promptly notify the Administrative Agent and Borrower by telephone (confirmed by fax) of such demand for payment and whether the Fronting Agent has made or will make a LC Disbursement thereunder, provided that any failure to give or delay in giving such notice shall not relieve Borrower of its obligation to reimburse the Fronting Agent - and the Revolving Lenders with respect to any such LC Disbursement.

Section 3.08 Interim Interest. If the Fronting Agent shall make any LC Disbursement, then, unless Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made in accordance with Section 3.04, the unpaid amount thereof shall be deemed to be a Prime Rate Loan and shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that Borrower reimburses such LC Disbursement, at the Default Rate. Interest accrued pursuant to this Section 3.08 shall be for the account of the Fronting Agent, except that interest accrued on and after the date of payment by any Revolving Lender, pursuant to Section 3.05 to reimburse the Fronting Agent shall be for the account of such Revolving Lender to the extent of such payment.

Section 3.09 Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the aggregate LC Exposure) demanding the deposit of cash collateral pursuant to this Section 3.09, Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid fees and interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to Borrower described in paragraph (h) or (i) of Section 8.01; and provided further with respect to Revolving Loans made to cash collateralize Letters of Credit pursuant to this Section 3.09, Section 5.01(c) shall not apply. Each such deposit shall be held by the Administrative Agent, as collateral for the payment and performance of the obligations of Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such accounts. Moneys in such account shall be applied by the Administrative Agent to reimburse the Fronting Agent for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the aggregate LC Exposure), be applied to satisfy other obligations of Borrower under this Agreement. If Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to Borrower within three Business Days after all Events of Default have been cured or waived.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

Each of the Loan Parties hereto represents and warrants to each of the Lenders, the Administrative Agent, and the Fronting Agent that:

Section 4.01 Organization; Powers. It (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to own its property and assets and to carry on its business as now conducted, (c) is qualified to do business in every jurisdiction where such qualification is required by the nature of its business, the character and location of its property, business or customers, or the ownership or leasing of its properties, except for such jurisdictions in which the failure so to qualify, in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, and (d) has the requisite power and authority to execute, deliver and perform its obligations under each of the Loan Documents and each other agreement or instrument contemplated thereby to which it is or will be a party and, in the case of Borrower, to borrow hereunder.

Section 4.02 Authorization. The execution, delivery and performance by each of the Loan Parties of each of the Loan Documents to which it is a party, the Borrowings hereunder, the issuance of the Letters of Credit, the use of the proceeds of the Loans and the Letters of Credit, the creation of the security interests contemplated by the Security Documents and the other transactions contemplated by the Loan Documents (the "Transactions") (a) have been duly authorized by all requisite corporate or partnership and, if required, stockholder action and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or its Organizational Documents, (B) any order of any Governmental Authority applicable to it, or (C) any provision of any indenture or other Material Contract or other material instrument to which it is a party or by which it is or may be bound, (ii) constitute (alone or with notice or lapse of time or both) a default (howsoever defined) under any such indenture, agreement or other instrument, or (iii) result in the creation or imposition of any Lien (other than any Lien created hereunder or under the Security Documents) upon or with respect to any property or assets now owned or hereafter acquired by it.

Section 4.03 Enforceability. This Credit Agreement has been duly executed and delivered by it and constitutes, and each other Loan Document when executed and delivered by it will constitute its legal, valid and binding obligation enforceable against it in accordance with its terms (except as the enforceability thereof may be limited by bankruptcy, insolvency reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject to general principles of equity (whether enforcement is sought by proceeding in equity or at law)).

Section 4.04 Governmental Approvals; Required Permits.

- (a) No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the execution and delivery of the Loan Documents, except for (i) the filing of PPSA financing statements and similar security or collateral filings and registrations under applicable laws in other jurisdictions and (ii) such actions, consents, approvals, registrations and filings as have been made or obtained and are in full force and effect.
- (b) All Required Permits of such Loan Party are in full force and effect, except to the extent that the failure to have or maintain the same in full force and effect would not, when

taken in the aggregate, have or reasonably be expected to have a Material Adverse Effect.

Section 4.05 Financial Statements. Borrower has delivered to the Lenders all such audited and unaudited financial statements of the Obligors as have been requested by the Lenders; provided that as of the Fourth Closing Date, such financial statements consist of audited financial statements of the Target. All financial statements set forth or referred to in the materials specified in the preceding sentence were prepared in conformity with GAAP except, in the case of unaudited financial statements, for the absence of footnote disclosure and for year-end audit adjustments. All such financial statements of the Obligors fairly present in all material respects the consolidated financial position of such Obligors as at the date thereof and the consolidated results of operations and cash flows of such Obligors for each of the periods covered thereby. Except as disclosed in such financial statements, none of the Obligors had at the date of such financial statements any material contingent obligation, material contingent liability or material liability for taxes, long-term lease or unusual forward or long-term commitment or obligations to retired employees for medical or other employee benefits that is not reflected in the foregoing financial statements or the notes thereto.

Section 4.06 No Material Adverse Effect. Since December 31, 2018, there has been no event or condition that has had, or would reasonably be expected to have, a Material Adverse Effect on the Borrower.

Section 4.07 Title to Properties; Possession Under Leases.

- (a) Except as set forth on Schedule 4.07, it has good and marketable title to, or valid leasehold interests in, all its properties and assets, except for minor defects in title that do not interfere in any material respect with its ability to conduct its business as currently conducted. All such title to, or leasehold interest in, properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 7.02 and Liens with respect to which the Administrative Agent has received on or prior to the Fifth Closing Date duly executed releases and termination statements in connection therewith.
- (b) It has complied with all obligations under all leases to which it is a party and enjoys peaceful and undisturbed possession under all such leases except for acts of non-compliance which would not reasonably be expected to have a Material Adverse Effect.

Section 4.08 Corporate Structure. The corporate structure of Holdco and its Subsidiaries is, as at the Fifth Closing Date, as set out in Schedule 4.08(c), which Schedule contains:

- (a) Shareholdings. All of the Subsidiaries of Holdco are as provided for in Schedule 4.08(c) and such Subsidiaries do not own or hold any shares in the capital of, or any other ownership interest in, any other Person other than as provided for in Schedule 4.08(c).
- (b) Share Capital. On the Fifth Closing Date, the authorized capital of Holdco, the Borrower and the other Obligors is as provided for in Schedule 4.08(c), of which the number of issued and outstanding shares and the beneficial owners thereof at such time provided for in Schedule 4.08(c).
- (c) Rights to Acquire Shares of the Obligors. Except as set forth on Schedule 4.08(c), no Person will have an agreement or option or any other right or privilege (whether by law,

pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or partnership interests in the capital of Holdco or any other Obligor.

Section 4.09 Litigation; Compliance with Laws.

- (a) Except as set forth in Schedule 4.09, there are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of such Loan Party, threatened against or affecting such Loan Party or any business or property of any such Loan Party (including with respect to Environmental Laws) that (i) purports to affect the legality, validity or enforceability of any Loan Document, or (ii) would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.
- (b) It is not, and its properties and assets are not (i) in violation of, nor will the continued operation of their properties and assets as currently conducted violate, any law, rule, regulation, statute (including any zoning, building, ordinance, code or approval or any building permits) or any restrictions of record or agreements, where such violations would reasonably be expected to have a Material Adverse Effect or (ii) in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such defaults, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

Section 4.10 Tax Returns; Remittances Up to Date.

- (a) Except as previously disclosed to the Lenders in writing by Borrower, all federal, provincial and local and foreign national, state, provincial, regional and local and all other tax returns of such Loan Party required by applicable law to be filed have been duly filed, and all federal, provincial and local and foreign national, state, provincial, regional and local and all other taxes, assessments and other governmental charges or levies upon such Loan Party and its property, income, profits and assets which are due and payable have been paid, except any such non-payment which is at the time permitted under Section 6.05(a). There are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by such Loan Party or the payment of any taxes other than those being contested in accordance with Section 6.05(a), and there are no actions or proceedings being taken by any taxation authority in any jurisdictions where such Loan Party carries on business to enforce the payment of any taxes by them other than those which are being contested by it in accordance with Section 6.05(a).
- (b) The charges, accruals and reserves on the books of such Loan Party in respect of federal, provincial and local taxes and foreign national, state, provincial, regional and local taxes for all Fiscal Years and portions thereof since the organization of such Loan Party, are in the judgment of such Loan Party adequate, and to the knowledge of such Loan Party, no additional assessments for any of such years are pending which, singly or in the aggregate, would reasonably be expected to have a Material Adverse Effect.
- (c) All of the material remittances required to be made by such Loan Party to Governmental Authorities which are due and payable have been made, are currently up to date and

there are no outstanding arrears, other than those which are being contested by it in accordance with Section 6.05(a).

Section 4.11 Accuracy and Completeness of Information. All written information, reports, certificates, financial statements and other papers and data produced by or on behalf of such Loan Party and furnished to the Administrative Agent or any Lender were, at the time the same were so furnished, complete and correct in all material respects to the extent necessary to give the recipient a true and accurate knowledge of the subject matter, no fact is known to such Loan Party which has had, or would reasonably be expected to in the future have, a Material Adverse Effect which has not been set forth in the financial statements or disclosure delivered prior to the Fifth Closing Date, in each case referred to in Section 4.05, or in such written information, reports or other papers or data or otherwise disclosed in writing to the Administrative Agent or any Lender prior to the Fifth Closing Date.

Section 4.12 Employee Benefit Plans. As of the Fifth Closing Date:

- (a) there are no outstanding disputes concerning the assets of the Canadian Pension Plans, or the Canadian Benefit Plans, except where such dispute would not reasonably be expected to have a Material Adverse Effect;
- (b) no promises of benefit improvements under the Canadian Pension Plans, or the Canadian Benefit Plans have been made, except where such improvement would not reasonably be expected to have a Material Adverse Effect;
- (c) all contributions or premiums required to be made or paid by the Loan Parties to the Canadian Pension Plans, or the Canadian Benefit Plans have been made on a timely basis in accordance with the terms of such plans and all applicable laws, except where such failure would not reasonably be expected to have a Material Adverse Effect;
- (d) there have been no improper withdrawals or applications of the assets of the Canadian Pension Plans, or the Canadian Benefit Plans, except where such impropriety would not reasonably be expected to have a Material Adverse Effect;
- (e) none of the Canadian Pension Plans or the Canadian Benefit Plans has any unfunded actuarial liabilities or solvency deficiencies (within the meaning of the applicable laws) except where such unfunded liabilities or solvency deficiencies would not reasonably be expected to result in a Material Adverse Effect; and
- (f) no Pension Plan Event has occurred with respect to the Canadian Pension Plans.

Section 4.13 Environmental and Safety Matters. Except as disclosed in Schedule 4.13:

- (a) the business of such Loan Party currently operates in material compliance with all Environmental Laws;
- (b) to the knowledge of the Loan Party, there is no Hazardous Substance in, on, under or migrating from the lands owned or leased by such Loan Party, the presence of which is likely to have a Material Adverse Effect on such lands, the lands to which Hazardous Substances have migrated and the businesses carried thereon;

- (c) such Loan Party has obtained all Environmental Permits required for its business as presently being conducted and are valid and in full force and effect, and such Loan Party is in material compliance with the provisions of all applicable Environmental Permits and there are no proceedings outstanding or, to the knowledge of such Loan Party, pending or threatened, to revoke, amend or limit any Environmental Permit;
- (d) such Loan Party has not received any environmental notice with respect to its business or its owned or leased lands which, to such Loan Party's knowledge, has not been resolved to the satisfaction of the issuer of the environmental notice; and
- (e) there are no material investigations, tests, audits or reports undertaken within the past five years on behalf of the Loan Parties respecting the environment relating to its owned or leased lands or its business.

Section 4.14 Solvency. Both before and immediately after giving effect (a) to the advance of the Term Loans on the Fifth Closing Date and (b) the advance of any Loan or the issuance of any Letter of Credit hereunder, (i) such Loan Party would not be an "insolvent person" as defined in the *Bankruptcy and Insolvency Act* (Canada), (ii) such Loan Party will not have unreasonably small capital to carry out its businesses as conducted or as proposed to be conducted, and (iii) such Loan Party does not intend to, nor does it intend to permit any new Subsidiaries to, incur debts beyond its ability to pay such debts as they become absolute and mature.

Section 4.15 Security Documents; Guarantees.

- (a) The Security Agreements create in favour of the Administrative Agent, for the rateable benefit of the Beneficiaries, a legal, valid and enforceable security interest in the Collateral and proceeds thereof and (i) (x) when the Collateral represented by certificates or evidenced by notes or other instruments is delivered to the Administrative Agent, together with an executed blank stock power or allonge, as applicable, and (y) when financing statements in appropriate form have been duly filed in the offices specified in Schedule 4.15 and (where required by the Lender) control agreements have been executed by the issuers of such Collateral which is not represented by certificates, the Security Agreements shall constitute a fully perfected Lien (subject only to prior ranking Permitted Liens and the other Liens described in Section 7.02) on, and security interest in, all right, title and interest of the Loan Parties in such Collateral, in each case prior and superior in right to any other Person other than the holders of Permitted Liens and the other Liens described in Section 7.02 and (ii) when the registrations, filings, and recordations in appropriate form have been duly filed in accordance with Section 10.03(a), each Lien created under the Security Agreements will constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral, and the proceeds thereof, to the extent perfection or publication can be obtained by filing PPSA financing statements or similar filings or registrations under the applicable laws of any other jurisdiction, in each case prior and superior in right to any other Person (other than the holders of Permitted Liens and the other Liens described in Section 7.02).
- (b) The Obligations of each Loan Party under the Loan Documents and the Swap Agreements, and all other obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of each Loan Party shall be guaranteed by each Guarantor in accordance with the Guarantee Agreements, and each such guarantee

shall be secured, equally and rateably, by a first priority, perfected Lien on, to and against all present and future property, assets and undertaking of each such Guarantor (subject only to prior ranking Permitted Liens and the other Liens described in Section 7.02).

Section 4.16 Labour Matters. As of the Fifth Closing Date, there are no strikes or other labour disputes against such Loan Party or in respect of its business. Since the Closing Date, the hours worked by and payment made to employees of such Loan Party have not been in violation of applicable federal, provincial, regional, local or foreign law dealing with such matters, where such violations would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

Section 4.17 Real Property. Schedule 4.17 sets forth as of the Fifth Closing Date all real property owned or leased by such Loan Party. With respect to all real property described as being owned by such Loan Party, such real property is owned in fee simple by such owner. With respect to all leasehold real property interests of such Loan Party, the lease agreements are described on Schedule 4.17.

Section 4.18 Intellectual Property. Such Loan Party owns, or is licensed or otherwise authorized to use, all patents, designs, trademarks, trade names, copyrights, technology, know-how and processes, service marks and rights with respect to the foregoing that are used in or necessary for the conduct of its business as currently conducted, and Schedule 4.18 lists all such patents, designs, trademarks, trade names, copyrights, technology, know-how, processes and rights. The use of such patents, designs, trademarks, trade names, copyrights, technology, know-how, processes and rights with respect to the foregoing by the Loan Parties does not, to the knowledge of such Loan Party, infringe on the rights of any Person, subject to such claims and infringements as do not, in the aggregate, give rise to any liability on the part of such Loan Party that is material to such Loan Party. To the knowledge of such Loan Party, no Person has asserted any claim or taken any step or proceedings to prohibit or limit the use of such intellectual property by such Loan Party.

Section 4.19 Business. Such Loan Party is engaged principally in the business described on Schedule 4.19.

Section 4.20 Liens. Except as set forth in Schedule 4.20, none of the properties and assets of such Loan Party, and none of the Collateral under the Security Agreements, is subject to any Lien, except Permitted Liens and the other Liens described in Section 7.02.

Section 4.21 Indebtedness and Guarantees. Set forth on Schedule 4.21 is a complete and correct listing as of the Fifth Closing Date of all of such Loan Party's (i) Indebtedness (excluding Indebtedness under the Loan Documents, Indebtedness relating to Liens identified in (f) of the definition of "Permitted Liens" or in Section 7.02 and Indebtedness incurred in the ordinary course of business) and (ii) Guarantees (excluding Guarantees required in connection with the Loan Document and Guarantees incurred in the ordinary course of business). Such Loan Party is not in default of any material provision of any agreement evidencing or relating to any such Indebtedness or Guarantee.

Section 4.22 Burdensome Provisions. Such Loan Party is not party to any indenture, agreement, lease or other instrument, or subject to any charter or corporate restriction, governmental approval or applicable law, compliance with the terms of which would reasonably be expected to have a Material Adverse Effect.

Section 4.23 Absence of Defaults. Such Loan Party is not in default under its Organizational Documents, and no event has occurred which has not been remedied, cured or waived (i) that constitutes a Default or an Event of Default or (ii) that constitutes or that, with the passage of time or giving of notice, or both, would constitute a default or event of default (howsoever defined) by such Loan Party under any Material Contract (other than this Credit Agreement) or judgment, decree or order to which such Loan Party is a party or by which such Loan Party or any of its respective properties may be bound or which would require such Loan Party to make any payment thereunder in excess of \$250,000.

Section 4.24 Chief Executive Office. The chief executive office of each Loan Party and the location of the books and records of each Loan Party is located at the address or addresses set forth on Schedule 4.24. The exact legal name of each Loan Party is set forth on Schedule 4.24.

Section 4.25 Equipment. All Equipment is in good order and repair in all material respects, normal wear and tear excepted and usual ongoing operational repairs as required excepted. Set forth on Schedule 4.25 is the (i) address (including street, city and province) of each facility at which Equipment (other than motor vehicles) is located, and (ii) with respect to each such facility that is leased, the name of the landlord of such facility.

Section 4.26 Corporate and Fictitious Names; Trade Names. All trade names or styles under which any Loan Party sells inventory or equipment or creates receivables, or to which instruments in payment of receivables are made payable, are listed on Schedule 4.26.

Section 4.27 Deposit Accounts. All Deposit Accounts maintained by such Loan Party are located at branches of the Swingline Lender.

Section 4.28 Survival of Representations and Warranties, Etc. All representations and warranties set forth in this Article IV and all statements contained in any certificate, financial statement or other instrument delivered by or on behalf of such Loan Party pursuant to or in connection with this Credit Agreement or any of the other Loan Documents (including any such representation, warranty or statement made in or in connection with any amendment thereto) shall constitute representations and warranties made under this Credit Agreement. All representations and warranties made under this Credit Agreement shall be made or deemed to be made at and as of the Fifth Closing Date and at and as of the date of each Loan (excluding, for certainty, rollovers and conversions), except that representations and warranties which, by their terms are applicable only to one such date shall be deemed to be made only at and as of such date. All representations and warranties made or deemed to be made under this Credit Agreement shall survive and not be waived by the execution and delivery of this Credit Agreement, any investigation made by or on behalf of the Administrative Agent or any Lender, or any Borrowing hereunder.

ARTICLE V CONDITIONS

The obligation of each Lender to make Loans hereunder and the obligation of the Fronting Agent to issue, amend, extend or renew any Letter of Credit hereunder (each, a "Credit Event") is subject to the satisfaction of the following conditions:

Section 5.01 All Credit Events. On the date of each Credit Event:

- (a) the Administrative Agent and, where applicable, the Fronting Agent shall have received a notice of such Credit Event as required by Section 2.03 or Section 3.02, respectively;
- (b) the representations and warranties set forth in Article IV hereof and in the other Loan Documents shall be true and correct in all material respects on and as of the date of such Credit Event with the same effect as though made on and as of such date, except to the extent that such representations and warranties expressly relate to an earlier date; provided that any representation or warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects on and as of the date of such Credit Event or as of such earlier date, as the case may be;
- (c) at the time of and immediately after such Credit Event, no Default or Event of Default shall have occurred and be continuing; and
- (d) at the time of and immediately after such Credit Event, there shall have occurred no event or condition that has had, or would reasonably be expected to have, a Material Adverse Effect.

Each Credit Event shall be deemed to constitute a representation and warranty by Borrower on the date of such Credit Event as to the matters specified in paragraphs (b) and (c) of this Section 5.01.

Section 5.01(A) Conditions Precedent to 2019 Loans. In addition to the conditions precedent set forth in Section 5.01, each advance of a 2019 Loan shall also be subject to the satisfaction of the following conditions:

- (a) the Borrower is in pro forma compliance both prior to and after such 2019 Loan with each of its financial covenants set forth in Article VII;
- (b) the proceeds of such advance are used to finance Capital Expenditures, for budgeted working capital purposes or for the general corporate purposes of the Loan Parties; and
- (c) in connection with each advance of a 2019 Loan after the Fifth Closing Date (exclusive of the advance to be made pursuant to Section 2.1(h) on or within 2 days from the Fifth Closing Date), the Lenders shall be satisfied that the Capital Expenditure or other expenditure is consistent with the Borrower's budget and schedule of required expenditures as outlined in the Master Plan and shall be approved by CIBC.

Section 5.02 Conditions Precedent to the Closing Date. The effectiveness of the Original Credit Agreement, the Lenders' obligation to make the initial Loans and the Fronting Agent's obligation to issue the initial Letters of Credit was subject to the fulfillment of each of the following conditions: