



Registration of a Charge

Company name: **EAGLE TARGET 5 LIMITED**

Company number: **10836436**



X6BYC360

Received for Electronic Filing: **02/08/2017**

Details of Charge

Date of creation: **24/07/2017**

Charge code: **1083 6436 0001**

Persons entitled: **SUMITOMO MITSU BANKING CORPORATION EUROPE LIMITED**

Brief description: **NOT APPLICABLE**

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY OF THE SECURITY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION UNDER S.859A OF THE**

**COMPANIES ACT 2006 IS A CORRECT COPY OF THE ORIGINAL
SECURITY INSTRUMENT.**

Certified by:

JOSEPH O'NEILL



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10836436

Charge code: 1083 6436 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th July 2017 and created by EAGLE TARGET 5 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd August 2017 .

Given at Companies House, Cardiff on 4th August 2017

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

CANADIAN SECURITY AND PLEDGE AGREEMENT

AMONG

**EACH OF THE GUARANTORS PARTY HERETO FROM TIME TO TIME,
as Debtors**

AND

**SUMITOMO MITSUI BANKING CORPORATION EUROPE LIMITED,
as Security Agent**

MADE AS OF

July 24, 2017

McCarthy Tétrault LLP

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CANADIAN SECURITY AND PLEDGE AGREEMENT

THIS AGREEMENT is made as of July 24, 2017,

AMONG

Each of the Guarantors signatory hereto or that becomes a party hereto pursuant to Section 6.06 (each a “**Debtor**”, and collectively, the “**Debtors**”),

- and -

SUMITOMO MITSUI BANKING CORPORATION
EUROPE LIMITED, as security agent (together with its successors in such capacity, the “**Security Agent**”) for the benefit of the Secured Parties (as hereinafter defined).

WHEREAS each Debtor has acceded as Guarantors under the Facilities Agreement (as hereinafter defined), pursuant to which each Debtor has guaranteed the Secured Obligations of each other Debtor;

AND WHEREAS each Debtor has agreed to grant a security interest and assignment, mortgage and charge in the Collateral (as hereinafter defined) to the Security Agent, for the benefit of the Secured Parties, in order to secure the performance of the Secured Obligations;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Interpretation

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

“**Account Control Agreement**” means, with respect to a securities account, a securities account control agreement, between a Debtor, the Security Agent and the securities intermediary which maintains such securities account on behalf of such Debtor.

“**Agreement**” means this agreement, including its recitals and schedules, as amended, restated, supplemented or otherwise modified from time to time.

“**Arrangement Agreement**” means the arrangement agreement dated May 19, 2017 among Eagle Bidco Limited, Busy Bees Holdings Limited and Brightpath Early Learning Inc.

“Assigned Agreements” means, in relation to a Debtor, all of its right, title and interest from time to time in and to the Arrangement Agreement, any Hedging Agreement, any Intra-Group Loan Agreement and all Related Rights.

“Bail-In Action” means the exercise of any Write-down and Conversion Powers.

“Bail-In Legislation” means in relation to:

- (a) an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and
- (b) any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers in that law or regulation.

“Bank Accounts” means, in relation to a Debtor, all its right, title and interest from time to time in and to all current, deposit or other accounts with any bank or financial institution, all balances from time to time standing to the credit of or accrued or accruing on those accounts and all Related Rights.

“Collateral” has the meaning set out in Section 2.01.

“Declared Default” has the meaning given to the term “Acceleration Event” in the Intercreditor Agreement.

“Delivery” and the corresponding term **“Delivered”** when used with respect to Collateral means:

- (a) in the case of Collateral constituting certificated securities, transfer thereof to the Security Agent or its nominee by physical delivery of the security certificates to the Security Agent or its nominee, such Collateral to be endorsed for transfer or accompanied by stock powers of attorney duly executed in blank, all in form and content satisfactory to the Security Agent;
- (b) in the case of Collateral constituting uncertificated securities, (i) registration thereof on the books and records of the issuer thereof in the name of the Security Agent or its nominee or (ii) the execution and delivery by the issuer thereof of an effective agreement (each, an **“Issuer Control Agreement”**), pursuant to which such issuer agrees that it will comply with instructions originated by the Security Agent or its nominee without further consent of the Debtor that is the owner thereof or any other person;
- (c) in the case of Collateral constituting security entitlements in respect of financial assets deposited in or credited to a securities account, (i) completion of all actions necessary to constitute the Security Agent or its nominee the entitlement holder with respect to each such security entitlement or (ii) the execution and delivery by

the relevant securities intermediary of an effective Account Control Agreement pursuant to which such securities intermediary agrees to comply with entitlement orders originated by the Security Agent or its nominee without further consent of the Debtor that is the entitlement holder with respect thereto or any other person; and

- (d) in the case of each of the foregoing, such additional or alternative procedures as may hereafter become reasonably appropriate to grant control of, or otherwise perfect a security interest in, any such Collateral in favour of the Security Agent or its nominee.

“EEA Member Country” means any member state of the European Union, Iceland, Liechtenstein and Norway.

“EU Bail-In Legislation Schedule” means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

“Facilities Agreement” means the facilities agreement dated 6 May 2015 (as amended and restated on 21 July 2016, 4 April 2017 and as further amended and restated on 5 May 2017) between, among others, the Parent, the Company, certain Subsidiaries of the Parent as borrowers and guarantors, the Arrangers, the Senior Lenders and GE Corporate Finance Bank SCA, London Branch as agent and security agent (now replaced by the Agent and the Security Agent, respectively).

“Finance Document” has the meaning given to the term “Finance Document” in the Intercreditor Agreement.

“Insurance Policies” means, in relation to a Debtor, all its right, title and interest from time to time in and to all contracts and policies of insurance of any kind taken out by or on behalf of it and all Related Rights.

“Intellectual Property” means, in relation to a Debtor, all its right, title and interest from time to time in and to:

- (a) any patents, trademarks, industrial designs, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets,

and all Related Rights (in each case including any related licences and sub-licences of the same granted by it or to it).

“Intercreditor Agreement” means the intercreditor agreement dated 6 May 2015 between, among others, the Parent, the Company and GE Corporate Finance Bank SCA, London Branch as security agent and agent (now replaced by the Security Agent as the agent and security agent, respectively).

“Intra-Group Loan” means any indebtedness entered into or to be entered into between a Debtor as creditor and any member of the Group as debtor and all other present and future indebtedness, sums, obligations or liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever) of a member of the Group to the Debtors (or any of them).

“Intra-Group Loan Agreement” means each agreement made between a Debtor as creditor and a member of the Group as debtor evidencing the terms of an Intra-Group Loan.

“Issuer Control Agreement” has the meaning set out in clause (b) of the definition of **“Delivery”**.

“Majority Senior Creditors” has the meaning given to that term in the Intercreditor Agreement.

“Material Intellectual Property” means, in relation to a Debtor, any of the following:

- (a) the Intellectual Property (if any) specified in Schedule A; and
- (b) any other Intellectual Property which is material in context of the business of any Obligor.

“Material Real Property” means, in relation to a Debtor, any of the following:

- (a) the property (if any) specified in Schedule B and the buildings and fixtures (including trade fixtures) on that property from time to time;
- (b) all Real Property described in Annex 1 of any Security Adhesion Agreement to which it is a party;
- (c) any freehold Real Property which has a market value of £1.25 million (or its equivalent in other currencies) or above;
- (d) any leasehold Real Property that comprises a leasehold interest of more than 35 years left to run on the term; and
- (e) any Real Property which is designated as Material Real Property by the Obligors’ Agent and the Security Agent.

“Obligor” has the meaning given to that term in the Facilities Agreement.

“Obligors’ Agent” has the meaning given to that term in the Facilities Agreement.

“Pledged Shares” has the meaning set out in clause (a) of the definition of **“Stock”**.

“Quasi Security” has the meaning given to that term in the Facilities Agreement.

“Real Property” means, in relation to a Debtor, all of its right, title and interest from time to time in and to any real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all Related Rights.

“**Receivables**” means, in relation to a Debtor, all its right, title and interest from time to time in and to all book and other debts of any nature, all other rights to receive money (excluding Bank Accounts), and all Related Rights.

“**Receiver**” has the meaning set out in Section 5.02(i).

“**Related Rights**” means, in relation to any Collateral:

- (a) any proceeds of sale, transfer or other disposal, lease, licence, sub-licence, or agreement for sale, transfer or other disposal, lease, licence or sub-licence, of that Collateral;
- (b) any moneys or proceeds paid or payable deriving from that Collateral;
- (c) any rights, claims, guarantees, indemnities, security interest, lien or covenants for title in relation to that Collateral;
- (d) any awards or judgments in favour of a Debtor in relation to that Collateral; and
- (e) any other assets deriving from, or relating to, that Collateral.

“**Resolution Authority**” means any body which has authority to exercise any Write-down and Conversion Powers.

“**Secured Obligations**” has the meaning given to that term in the Intercreditor Agreement.

“**Secured Party**” means the Security Agent, any Receiver and each of the other Senior Creditors from time to time, but in the case of each Senior Creditor, only if it is a party or has acceded to the Intercreditor Agreement in the appropriate capacity.

“**Security Adhesion Agreement**” means a document substantially in the form set out in Schedule 6.06.

“**Stock**” means:

- (a) all securities owned by each Debtor (collectively, the “**Pledged Shares**”), including the shares in the capital stock described in Schedule C, as such Schedule may be amended, supplemented or modified from time to time, all security certificates, if any, and other instruments evidencing or representing such Pledged Shares, and all dividends, interest, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any and all of the Pledged Shares;
- (b) all additional or substitute shares of capital stock or other equity interests of any class of any issuer from time to time issued to or otherwise acquired by any Debtor in any manner in respect of Pledged Shares, the security certificates, if any, and other instruments representing such additional or substitute shares, and

all dividends, interests, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any or all of such additional or substitute shares; and

- (c) to the extent not otherwise included in the foregoing, all proceeds thereof.

“**ULC**” means an issuer that is an unlimited company, unlimited liability corporation or unlimited liability company.

“**ULC Laws**” means the *Companies Act* (Nova Scotia), the *Business Corporations Act* (Alberta), the *Business Corporations Act* (British Columbia) and any other present or future laws governing ULCs.

“**ULC Shares**” means shares or other equity interests in the capital stock of a ULC.

“**Write-down and Conversion Powers**” means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and
- (b) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation.

The terms “accessions”, “accounts”, “certificated security”, “chattel paper”, “documents of title”, “entitlement holder”, “entitlement order”, “financial asset”, “goods”, “instruments”, “intangibles”, “inventory”, “money”, “proceeds”, “security”, “securities account”, “securities intermediary”, “security certificate”, “security entitlement” and “uncertificated security” whenever used herein have the meanings given to those terms in the *Personal Property Security Act* currently in effect in the province referred to in Section 6.17 below.

1.02 **Incorporation of Defined Terms**

Unless a contrary indication appears, terms defined in the Intercreditor Agreement have the same meaning in this Agreement.

1.03 **Construction**

(1) Any reference in this Agreement to a “Finance Document” or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerously) or replaced and includes any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under that Finance Document or other agreement or instrument.

(2) The provisions in clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Agreement, except that references to the Intercreditor Agreement shall be construed as references to this Agreement.

(3) In this Agreement any reference to this “Agreement” includes, in respect of any Debtor that becomes a party hereto pursuant to Section 6.06, any Security Adhesion Agreement to which it is a party.

1.04 **Third Party Rights**

(1) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to this Agreement has no right to enforce or enjoy the benefit of any term of this Agreement.

(2) Notwithstanding any term of any Finance Document, the consent of any person who is not a party is not required to rescind or vary this Agreement at any time.

1.05 **Contractual Recognition of Bail-In**

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the parties, each party acknowledges and accepts that any liability of any party to any other party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and

- (iii) a cancellation of any such liability, and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

1.06 **Headings**

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

1.07 **Extended Meanings**

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term “including” means “including without limiting the generality of the foregoing”. A reference to any agreement, instrument or declaration means such agreement, instrument or declaration as the same may be amended, supplemented, modified, restated or replaced from time to time.

1.08 **Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder.

1.09 **Schedules**

The following are the Schedules to this Agreement:

Schedule A	–	Material Intellectual Property
Schedule B	–	Material Real Property
Schedule C	–	Pledged Shares
Schedule 3.01	–	Debtor Information and Location of Collateral
Schedule 4.10	–	Form of Notice of Assignment of Insurance Policies
Schedule 4.11	–	Form of Notice of Assigned Agreements

Schedule 6.06 – Form of Security Adhesion Agreement

1.10 **Non-Canadian Debtors**

The parties acknowledge and agree that any member of the Group not incorporated or formed under the laws of Canada (or any province or territory thereof) that is a Debtor under this Agreement on the date hereof, or becomes a Debtor in accordance with Section 6.06, shall only be a party for the purpose of (a) creating and perfecting a security interest in the Pledged Shares (and related Collateral) of a member of the Group incorporated or formed under the laws of Canada (or any province or territory thereof) held by such Debtor from time to time; and (b) being subject to the representations, warranties, covenants and remedies contained herein to the extent necessary in connection with the pledge of and security granted in respect of such Pledged Shares (and related Collateral), in accordance with the Agreed Security Principles.

ARTICLE 2 - GRANT OF SECURITY INTEREST

2.01 **Security Interest**

(1) As general and continuing security for the payment and performance of all Secured Obligations, each Debtor hereby grants to the Security Agent, for the benefit of the Secured Parties, a security interest in, and, as further general and continuing security for the payment and performance of the Secured Obligations, each Debtor hereby also assigns (other than with respect to trademarks) to the Security Agent, for the benefit of the Secured Parties, and mortgages and charges as and by way of a fixed and specific mortgage and charge to the Security Agent, for the benefit of the Secured Parties, all right, title and interest that such Debtor now has or may hereafter have or acquire, in any manner whatsoever, (including by way of amalgamation) in all present and after acquired property, including without limitation, the following (collectively, the “**Collateral**”):

- (a) **Receivables**: all debts, accounts, claims and choses in action for monetary amounts (including all Receivables);
- (b) **Inventory**: all inventory of whatever kind and wherever situated (collectively, the “**Inventory**”);
- (c) **Equipment**: all machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property that are not Inventory (collectively, the “**Equipment**”);
- (d) **Chattel Paper**: all chattel paper;
- (e) **Documents of Title**: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (f) **Stock**: all Stock (including all shares, bonds, debentures, and other securities);

- (g) Securities Accounts: all securities accounts in the name of such Debtor, including any and all assets of whatever type or kind deposited in or credited to such securities accounts, including all financial assets, all security entitlements related to such financial assets, and all certificates and other instruments from time to time representing or evidencing the same, and all dividends, interest, distributions, cash and other property from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any or all of the foregoing;
- (h) Financial Assets: all financial assets;
- (i) Security Entitlements: all security entitlements;
- (j) Intangibles: all intangibles not otherwise described in this Section 2.01 including all uncalled capital, goodwill and Intellectual Property;
- (k) Bank Accounts, Instruments and Money: all Bank Accounts, bills, notes, cheques and other instruments and all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (l) Books, Records, Etc.: all books, invoices, documents and other records in any form evidencing or relating to the Collateral;
- (m) Real Property: all Real Property;
- (n) Assigned Agreements: all Assigned Agreements;
- (o) Insurance Policies: all Insurance Policies;
- (p) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in this Section 2.01; and
- (q) Proceeds: all proceeds in respect of the foregoing and all rights and interest of such Debtor in respect thereof or evidenced thereby, including all money received or receivable from time to time by such Debtor in connection with the sale of any of the foregoing or in any form derived directly or indirectly from any dealing with the foregoing or that indemnifies or compensates for the loss of or damage to the foregoing,

provided that the said grant of a security interest, assignment, mortgage and charge will not render the Security Agent or any other Secured Party liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which such Debtor is a party or by which it is bound.

(2) Subject to Section 2.07, each Debtor, as security for the payment of all Secured Obligations, assigns to the Security Agent by way of security all of its Insurance Policies.

2.02 **Security Interest Absolute**

The security interests granted hereby and all rights of the Security Agent and the other Secured Parties hereunder and all obligations of each Debtor hereunder are unconditional and absolute and independent and separate from any other security for the Secured Obligations, whether executed by such Debtor or any other person.

2.03 **Continuing Liability of the Debtors**

This Agreement and the security interest granted hereby is granted as collateral security only and will not subject the Security Agent or any other Secured Party to, or transfer or in any way affect or modify, any obligation or liability of any Debtor with respect to any of the Collateral or any transaction in connection therewith.

2.04 **Delivery of Collateral**

All Collateral described in sub-clauses (a), (b) and (c) of the definition of “Delivery” in which a Debtor has rights as of the date hereof must be Delivered as soon as reasonably practicable (but in any event within five (5) Business Days of the date hereof) to the Security Agent or its nominee.

2.05 **Subsequently Acquired Collateral**

To the extent any Debtor acquires, by way of amalgamation or otherwise, any additional Collateral at any time or from time to time after the date hereof, such Collateral will automatically (and without any further action being required to be taken by the Security Agent or any other Secured Party) be subject to the security interest and pledge created hereby. Each Debtor will take, or cause to be taken, as promptly as practicable and, in any event within five (5) Business Days after it obtains such additional Collateral, all steps and actions as the Security Agent deems necessary to ensure that the additional Collateral is subject to the security interest granted herein and, to the extent such Collateral is of the type to which Delivery applies, Delivered to the Security Agent.

2.06 **Attachment of Security Interest**

Each Debtor acknowledges that value has been given and agrees that the security interest granted hereby attaches upon the execution of this Agreement by such Debtor (or, in the case of any after-acquired property, at the time of acquisition by such Debtor of any rights therein) and that the Debtor has, or in the case of after-acquired property will have, rights in the Collateral or the power to transfer rights in the Collateral to the Security Agent (for the benefit of the Secured Parties).

2.07 **Excluded Assets**

Subject to Section 2.08, unless otherwise expressly agreed in writing by the relevant Debtor, there shall be excluded from the security interest granted under Section 2.01 (other than Subsections 2.01(1)(f), 2.01(1)(g), 2.01(1)(h) and 2.01(1)(i)) or any Security Adhesion Agreement and from the operation of Section 6.14:

- (a) any asset or any interest in an asset which a Debtor is prohibited from creating security interest on or over by reason of any contract, lease, licence, instrument or other arrangement with a third party (including any asset or any interest in an asset which a Debtor is prohibited from creating security interest on or over without the prior written consent of a third party); and
- (b) any asset or any interest in an asset which, if subject to any security interest, would give a third party the right to terminate or otherwise amend any rights, benefits or obligations of a Debtor in respect of that asset or any interest in an asset or require any Debtor to take any action materially adverse to the interests of such Debtor or the Group taken as a whole.

2.08 **Consents**

(1) Subject to Sections 2.08(2) and 2.08(3), if the consent of any party to a document is required to create fixed security over, or an assignment of, the rights of a Debtor under that document:

- (a) that Debtor shall as soon as reasonably practicable notify the Security Agent;
- (b) if the Security Agent so requires, that Debtor shall use reasonable endeavours to obtain the consent of the relevant party to the creation of fixed security over or, as the case may be, an assignment of, those rights under this Agreement as soon as reasonably practicable; and
- (c) on the date on which the consent of the relevant party is obtained, the fixed security over or, in respect of an asset expressed to be subject to an assignment, the assignment of, those rights under this Agreement shall attach to those rights.

(2) The requirements in Section 2.08(1)(a) and Section 2.08(1)(b) for a Debtor to provide such notice and use reasonable endeavours to obtain the consent of the relevant party to the creation of fixed security over or, as the case may be, an assignment of, those rights under this Agreement as soon as reasonably practicable shall be subject to the relevant document being material in the context of the business of the Group and such all reasonable endeavours or notice not being reasonably likely to jeopardise the commercial relationship with the relevant third party.

(3) For each asset which is Real Property, the relevant Debtor shall only be required to seek the consent referred to above in respect of Material Real Property which is of substantial economic value in the context of the Group as a whole. If the relevant Debtor has not been able to obtain such consent within 20 Business Days, and it reasonably considers that it will not be able to obtain such consent, its obligation to seek such consent under this Section 2.08 shall cease.

2.09 **Real Property**

(1) With respect to (and only to) Real Property, the security granted hereby is constituted by way of floating charge, but will become a fixed charge upon the earlier of (i) the

Secured Obligations becoming immediately payable, and (ii) the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge.

(2) The assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but each Debtor will hold such last day in trust for the Security Agent (for the benefit of the Secured Parties) and, upon the enforcement by the Security Agent of its security, will assign such last day as directed by the Security Agent.

ARTICLE 3 - REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTORS

3.01 Representations and Warranties

Each Debtor hereby represents and warrants to the Security Agent, for the benefit of the Secured Parties, that:

- (a) as of the date hereof, no Debtor has any Material Intellectual Property other than as specified in Schedule A;
- (b) as of the date hereof, no Debtor has any Material Real Property situated in Canada other than as specified in Schedule B;
- (c) as of the date hereof, no Debtor has any Pledged Shares other than as specified in Schedule C;
- (d) the jurisdiction of organization, the chief executive office and the registered office of such Debtor, and the office where such Debtor keeps its books & records relating to Receivables, are located at the addresses specified in Schedule 3.01;
- (e) the Inventory and Equipment of such Debtor are located in the jurisdictions specified in Schedule 3.01, except for goods in transit or on lease or consignment;
- (f) no Collateral is in the possession or control of any person asserting a claim thereto or security interest therein, except that the Security Agent or its nominee or a securities intermediary acting on its behalf may have possession or control of the Collateral; and
- (g) all Collateral consisting of Pledged Shares has been duly authorized and validly issued, is outstanding as fully paid and non-assessable and, except as set forth on Schedule C, constitutes 100% of the issued and outstanding shares of capital stock or other equity interests of the respective issuers thereof.

3.02 Covenants

Each Debtor covenants with the Security Agent, for the benefit of the Secured Parties, that such Debtor will:

- (a) defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and, except as otherwise provided herein or in the Facilities Agreement, keep the Collateral free and clear of all security interests, Quasi Security, mortgages, charges, liens and other encumbrances or interests, except for liens permitted by the Facilities Agreement or with the prior written consent of the Security Agent (acting in accordance with the Intercreditor Agreement);
- (b) not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell or dispose of, transfer, relinquish or otherwise deal with any of its interest in the Collateral, except as permitted by the Facilities Agreement;
- (c) not change its name, chief executive office, registered office, jurisdiction of incorporation, or the location of the office where it keeps its records respecting the Receivables, or move any of the Inventory or Equipment from the locations specified in any schedule hereto, without the prior written consent of the Security Agent unless otherwise permitted under the Facilities Agreement;
- (d) not do, or permit to be done, anything which could be reasonably expected to prejudice the security interests granted hereunder in any way that is, or could reasonably be expected to be, materially adverse to the interests of the Secured Parties; and
- (e) not amend, vary, novate, supplement, supersede, waive or terminate any term of the constitutional documents of any member of the Group over whose shares security is purported to be given under the terms of this Agreement or any other Finance Document except in writing:
 - (i) in accordance with clause 42 (Amendments and waivers) of the Facilities Agreement;
 - (ii) to the extent that that amendment, variation, novation, supplement, superseding, waiver or termination is permitted by the Intercreditor Agreement;
 - (iii) prior to or on the date hereof; or
 - (iv) after the date hereof, in a way which could not be reasonably expected materially and adversely to affect the interests of the Secured Parties.

ARTICLE 4 - DEALING WITH COLLATERAL

4.01 Dealing with Collateral by the Debtors

No Debtor may sell, lease or otherwise dispose of any of the Collateral, except as permitted by the Facilities Agreement or with the prior written consent of the Security Agent;

provided that, a Debtor may, until an Declared Default occurs, deal with its money or sell items of Inventory in the ordinary course of its business so that the purchaser thereof takes title thereto free and clear of the security interest, assignment and mortgage and charge granted hereby, but all proceeds of any such sale will continue to be subject to the security granted hereby. Upon the occurrence of a Declared Default and the exercise by the Security Agent of any of its rights and remedies under Section 5.02, all money received by a Debtor will be held by such Debtor in trust for the Security Agent and must be held separate and apart from other money of such Debtor and paid over to the Security Agent on request.

4.02 **Rights and Duties of the Secured Party**

(1) The Security Agent may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder.

(2) In the holding of the Collateral, the Security Agent and any agent on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Security Agent and any agent on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as any Debtor reasonably requests in writing, but failure of the Security Agent or its agent to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

4.03 **Voting Rights; Control**

(1) Subject to the provisions of Section 4.03(2), each Debtor is entitled to exercise with respect to the Collateral owned by it, either directly or, if such Collateral is registered in the name of the Security Agent or its nominee, by power of attorney or proxy, all the rights and powers of a holder of such Collateral, including the right to vote from time to time exercisable in respect of such Collateral and to give proxies, consents, ratifications and waivers in respect thereof. No such action may be taken if it would be prejudicial to the interests of the Security Agent or any other Secured Party or would violate or be inconsistent with any of the Facilities Agreement or this Agreement or with any other agreement relating thereto or hereto or would have the effect of reducing the value of the Collateral as security for the Secured Obligations or imposing any restriction on the transferability of any of the Collateral.

(2) Upon the occurrence of a Declared Default and the exercise by the Security Agent of any of its rights and remedies under Section 5.02, the Security Agent may give any or all of the Debtors a notice prohibiting such Debtor or Debtors from exercising the rights and powers of a holder of the Collateral, including the right to vote the Collateral, at which time all such rights of such Debtor or Debtors will cease immediately and the Security Agent will have the right to exercise the rights and powers related to such Collateral, including the right to vote.

4.04 **Dividends and Interest Payments**

(1) Subject to the provisions of Section 4.04(2), the relevant Debtor is entitled to receive all dividend payments or other distributions or interest payments in respect of the Collateral. If the Collateral has been registered in the name of the Security Agent or its nominee,

the Security Agent will execute and deliver (or cause to be executed and delivered) to the relevant Debtor all directions and other instruments as such Debtor may request for the purpose of enabling such Debtor to receive the dividends or other payments that such Debtor is authorized to receive pursuant to this Section 4.04(1).

(2) Upon the occurrence of a Declared Default and the exercise by the Security Agent of any of its rights and remedies under Section 5.02, all rights of the Debtors pursuant to Section 4.04(1) will cease, and all such rights will thereupon become vested in the Security Agent, and the Security Agent will have the sole and exclusive right and authority to receive and retain all payments that any Debtor would otherwise be authorized to retain pursuant to Section 4.04(1). All money and other property received by the Security Agent pursuant to the provisions of this Section 4.04(2) may be applied on account of the Secured Obligations or may be retained by the Security Agent as additional Collateral hereunder and be applied in accordance with the provisions of this Agreement. All payments which are received by any Debtor contrary to the provisions of this Section 4.04(2) will be held by such Debtor in trust for the benefit of the Security Agent, will be segregated from other property or funds of such Debtor and will be forthwith Delivered to the Security Agent or its nominee to hold as Collateral.

4.05 ULC Shares

Each Debtor acknowledges that certain of the Collateral of such Debtor may now or in the future consist of ULC Shares, and that it is the intention of the Security Agent and each Debtor that neither the Security Agent nor any other Secured Party should under any circumstances prior to realization thereon be held to be a “member” or a “shareholder”, as applicable, of a ULC for the purposes of any ULC Laws. Therefore, notwithstanding any provisions to the contrary contained in this Agreement, the Facilities Agreement, the Intercreditor Agreement or any other Finance Document, where a Debtor is the registered owner of ULC Shares which are Collateral of such Debtor, such Debtor shall remain the sole registered owner of such ULC Shares until such time as such ULC Shares are effectively transferred into the name of the Security Agent, any other Secured Party, or any other Person on the books and records of the applicable ULC. Accordingly, each Debtor shall be entitled to receive and retain for its own account any dividend on or other distribution, if any, with respect to such ULC Shares (except for any dividend or distribution comprised of Pledged Shares of such Debtor, which shall be Delivered to the Security Agent (for the benefit of the Secured Parties) to hold hereunder) and shall have the right to vote such ULC Shares and to control the direction, management and policies of the applicable ULC to the same extent as such Debtor would if such ULC Shares were not pledged to the Security Agent (for the benefit of the Secured Parties) pursuant hereto. Nothing in this Agreement, the Facilities Agreement, the Intercreditor Agreement or any other Finance Document is intended to, and nothing in this Agreement, the Facilities Agreement, the Intercreditor Agreement or any other Finance Document shall, constitute the Security Agent, any other Secured Party, or any other Person other than the applicable Debtor, a member or shareholder of a ULC for the purposes of any ULC Laws (whether listed or unlisted, registered or beneficial), until such time as notice is given to such Debtor and further steps are taken pursuant hereto or thereto so as to register the Security Agent, any other Secured Party, or such other Person, as specified in such notice, as the holder of the ULC Shares. To the extent any provision hereof would have the effect of constituting the Security Agent or any other Secured Party as a member or a shareholder, as applicable, of any

ULC prior to such time, such provision shall be severed herefrom and shall be ineffective with respect to ULC Shares which are Collateral of any Debtor without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Collateral of any Debtor which is not ULC Shares. Except upon the exercise of rights of the Security Agent (for the benefit of the Secured Parties) to sell, transfer or otherwise dispose of ULC Shares in accordance with this Agreement, each Debtor shall not cause or permit, or enable an issuer that is a ULC to cause or permit, the Security Agent (for the benefit of the Secured Parties) to: (a) be registered as a shareholder or member of such issuer; (b) have any notation entered in their favour in the share register of such issuer; (c) be held out as shareholders or members of such issuer; (d) receive, directly or indirectly, any dividends, property or other distributions from such issuer by reason of the Security Agent (for the benefit of the Secured Parties) holding the security interests over the ULC Shares; or (e) act as a shareholder of such issuer, or exercise any rights of a shareholder including the right to attend a meeting of shareholders of such issuer or to vote its ULC Shares.

4.06 **Material Real Property**

Subject to the Agreed Security Principles, in the event that, after the date hereof, any Debtor acquires in fee simple any Material Real Property that is of substantial economic value in the context of the Group as a whole, such Debtor shall execute and/or deliver, or cause to be executed and/or delivered, to the Security Agent a fully executed demand debenture or mortgage, in form and substance reasonably satisfactory to the Security Agent, and a local legal opinion of counsel with respect to the enforceability of such demand debenture or mortgage, which is in form and substance satisfactory to the Security Agent and its counsel, acting reasonably.

4.07 **Bank Accounts**

(1) No Debtor shall make any withdrawal from or effect closures of any Bank Account except:

- (a) prior to the occurrence of a Declared Default, in the ordinary course of its business; or
- (b) following the occurrence of a Declared Default, with the prior written consent of the Security Agent.

(2) At any time following the occurrence of a Declared Default, each Debtor shall promptly upon request by the Security Agent deliver to it, and the Security Agent shall be entitled to hold, such documents relating to that Debtor's Bank Accounts as the Security Agent requires, including any notice to the relevant bank or financial institution of the Security Agent's security interest over any Bank Account in such form as the Security Agent requires.

4.08 **Receivables**

(1) Each Debtor shall as soon as reasonably practicable pay into the Mandatory Prepayment Account all moneys received or receivable by it that are required to be paid into the

Mandatory Prepayment Account in accordance with clause 13.4 (*Mandatory Prepayment Accounts*) of the Facilities Agreement.

(2) Without prejudice to Section 4.08(1), at any time following the occurrence of a Declared Default each Debtor shall immediately pay all moneys received or receivable by it from any source (including all proceeds of collection of Receivables), subject to any withholdings required under applicable law, into the relevant Bank Account(s) designated for this purpose by the Security Agent. The Security Agent may designate different Bank Accounts for different moneys.

(3) At any time following the occurrence of a Declared Default, no Debtor shall enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, factor, transfer, discount or otherwise dispose of all or any part of any of its Receivables.

(4) At any time following the occurrence of a Declared Default, each Debtor shall promptly upon written request by the Security Agent deliver to it, and the Security Agent shall be entitled to hold, such documents relating to that Debtor's Receivables as the Security Agent requires.

(5) After the occurrence of a Declared Default and the exercise by the Security Agent of any of its rights and remedies under Section 5.02, the Security Agent may give notice to any such account debtors or other person to make all further payments to the Security Agent (for the benefit of the Secured Parties). Any payment or other proceeds of Collateral received by a Debtor from account debtors or from any other person liable to such Debtor after the occurrence of such Declared Default and exercise of such rights and remedies will be held by such Debtor in trust for the Security Agent (for the benefit of the Secured Parties) and must be held separate and apart from other money of such Debtor and paid over to the Security Agent on request.

4.09 **Intellectual Property**

At any time following the occurrence of a Declared Default, each Debtor shall promptly upon request by the Security Agent deliver to it, and the Security Agent shall be entitled to hold, such documents relating to that Debtor's Intellectual Property as the Security Agent requires.

4.10 **Insurance**

(1) At any time following the occurrence of a Declared Default, each Debtor shall promptly upon request by the Security Agent deliver to it, and the Security Agent shall be entitled to hold, such contracts and policies of insurance taken out by or on behalf of it and the related premium receipts, and such other documents relating to that Debtor's Insurance Policies, as the Security Agent requires.

(2) No Debtor shall do or omit to do or permit to be done or omitted anything which could reasonably be expected to render any of its Insurance Policies which are material in the context of the business of the Group void, voidable or unenforceable.

(3) If a Debtor does not comply with any requirement of clause 28.20 (*Insurance*) of the Facilities Agreement, the Security Agent may take out any insurances of the assets of that Debtor or any of them reasonably required by the Security Agent which is material to the business of the Group taken as a whole and may take any action reasonably required by the Security Agent to comply with any such provision. The cost and expense of any action referred to in this Section 4.10(3) shall be borne by the relevant Debtor.

(4) At any time following the occurrence of a Declared Default, each Debtor shall give notice of the assignment by way of security of Insurance Policies in Section 2.01(2) or, as the case may be, any Security Adhesion Agreement, substantially in the form set out in Schedule 4.10 (or in such other form as is acceptable to the Security Agent) and shall use reasonable endeavours to ensure that each recipient of any such notice promptly signs and returns the relevant form of acknowledgement provided that if that Debtor, using reasonable endeavours, is not able to obtain an acknowledgment from any such recipient within 20 Business Days from the date of delivery of the notice, the obligation to use reasonable endeavours to obtain a signed form of acknowledgement shall cease.

(5) The proceeds of any insurance claim shall be applied in accordance with the terms of the Facilities Agreement.

4.11 **Assigned Agreements**

(1) At any time following the occurrence of a Declared Default, each Debtor shall promptly upon request by the Security Agent deliver to it, and the Security Agent shall be entitled to hold, executed copies of each Assigned Agreement to which it is a party and shall promptly deliver such other documents relating to the Assigned Agreements as the Security Agent requires.

(2) Except to the extent that the relevant counterparty has received notice by virtue of this Section 4.11 or is otherwise a member of the Group, each Debtor shall within 10 Business Days of the date of this Agreement or, as the case may be, the date of any Security Adhesion Agreement, give notice of the assignment by way of security in Section 2.01, substantially in the form set out in Schedule 4.11 (or in such form as is acceptable to the Security Agent) and shall use all reasonable endeavours to ensure that each recipient of any notice promptly signs and returns the relevant form of acknowledgement, provided that if that Debtor, using all reasonable endeavours, is not able to obtain an acknowledgement from any such recipient within 20 Business Days from the date of delivery of the notice, the obligation to use reasonable endeavours to obtain a signed form of acknowledgement shall cease.

(3) Each Debtor shall remain liable to perform all its obligations under each Assigned Agreement to which it is a party. Neither the Security Agent nor any Receiver shall be under any obligation or liability to a Debtor or any other person under or in respect of any Assigned Agreement.

(4) Each Debtor hereby gives notice to each other Debtor that it has created security by way of assignment to the Security Agent pursuant to this Agreement in relation to all its

rights, title and interest in and to all money payable under each Assigned Agreement in existence on the date of this Agreement.

(5) Until the Security Agent provides written instructions to the contrary upon the occurrence of a Declared Default, all moneys payable to the Debtor as creditor in respect of each Assigned Agreement shall be paid to the account notified to the member of the Group as debtor by the Debtor as creditor.

(6) Despite the assignment referred to in this Section 4.11 or the making of any payment by a Debtor to the Security Agent under or in connection with it:

- (a) the relevant Debtor shall remain liable to perform all its obligations under each Assigned Agreement; and
- (b) the Security Agent shall not at any time be under any obligation or liability to any party to the Assigned Agreement under or in respect of any Assigned Agreement.

(7) Each Debtor is authorized and instructed, without requiring further approval, to provide the Security Agent with such information relating to the Assigned Agreements as it may from time to time request and to send to the Security Agent copies of all notices issued by any party to any Assigned Agreement.

(8) The authority and instruction under this Section 4.11 is irrevocable without the prior written consent of the Security Agent.

(9) By signing this Agreement, each Debtor acknowledges receipt of this notice of assignment and confirms that:

- (a) it will pay all moneys in respect of each Assigned Agreement as directed by or pursuant to this Section 4.11;
- (b) it has not received any other notice of any assignment of an Assigned Agreement;
- (c) it will not claim or exercise any set-off or counterclaim in respect of any Assigned Agreement; and
- (d) it will comply with the other provisions of this Section 4.11.

4.12 **Postponement**

Subject to the terms of the Finance Documents, until all amounts which may be or become payable by the Obligors or the Debtors under or in connection with the Finance Documents have been irrevocably paid in full and all facilities which might give rise to Secured Obligations have terminated or unless the Security Agent otherwise directs, no Debtor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under the Finance Documents:

- (a) to be indemnified by a Debtor or an Obligor;
- (b) to claim any contribution from any other Debtor or guarantor of any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor or any Debtor to make any payment, or perform any obligation, in respect of which the Obligor or the Debtor had given a guarantee, undertaking or indemnity;
- (e) to exercise any right of set-off against any Obligor or any Debtor; and/or
- (f) to claim or prove as a creditor of any Obligor or any Debtor in competition with any Secured Party.

If a Debtor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Obligors or the Debtors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Section 4.13.

4.13 **Order of Application**

All amounts from time to time received or recovered by the Security Agent or any Receiver pursuant to the terms of this Agreement or in connection with the realization or enforcement of all or any part of the security interest granted hereunder shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the order of priority provided for in clause 15.1 (*Order of application*) of the Intercreditor Agreement.

ARTICLE 5 - ENFORCEMENT OF SECURITY

5.01 **Consequences of a Declared Default**

(1) On or after the occurrence of any Declared Default, at the option of the Security Agent (a) the obligation, if any, of the Secured Parties to extend further credit to any Debtor will cease and (b) the security granted hereby will become immediately enforceable.

(2) At any time following the occurrence of a Declared Default, the Security Agent may in its absolute discretion enforce all or any part of the Security in any manner it sees fit or as directed by the Majority Senior Creditors.

5.02

Remedies

In addition to any right or remedy otherwise provided herein, by law or any other agreement (including the right to give entitlement orders, instructions or a notice of exclusive control to a securities intermediary subject to an Account Control Agreement or an issuer subject to an Issuer Control Agreement), on or after the occurrence of any Declared Default, the Security Agent will have the rights and remedies set out below, all of which may be enforced successively, concurrently or both:

- (a) the Security Agent may take possession of the Collateral and require a Debtor to assemble the Collateral and deliver or make the Collateral available to the Security Agent at such places as may be specified by the Security Agent, and neither the Security Agent nor any Receiver will be or be deemed to be a mortgagee in possession by virtue of any such actions;
- (b) the Security Agent may take such steps as it considers desirable to maintain, preserve or protect the Collateral;
- (c) the Security Agent may carry on, or concur in the carrying on of, all or any part of the business of any Debtor;
- (d) the Security Agent may have, exercise or enforce any rights of a Debtor in respect of the Collateral;
- (e) the Security Agent may from time to time realize upon, collect, sell, lease, transfer, assign, give options to purchase or otherwise dispose of and deliver any Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit, upon such terms and conditions as the Security Agent may determine and without notice to any Debtor unless required by law. For such purposes each requirement relating thereto and prescribed by law or otherwise is hereby waived by each Debtor to the extent permitted by law and in any offer or sale of any of the Collateral the Security Agent is authorized to comply with any limitation or restriction in connection with such offer or sale as the Security Agent may be advised by counsel is necessary in order to avoid any violation of applicable law, or in order to obtain any required approval of the sale or of the purchase by any governmental or regulatory authority or official. Such compliance will not result in such sale being considered or deemed not to have been made in a commercially reasonable manner nor will the Security Agent or any other Secured Party be liable or accountable to a Debtor for any discount allowed by reason of the fact that such Collateral is sold in compliance with any such limitation or restriction;
- (f) the Security Agent may accept all or any part of the Collateral in total or partial satisfaction of the Secured Obligations in the manner provided by law;
- (g) the Security Agent may, for any purpose specified herein, including for the maintenance, preservation or protection of any Collateral or for carrying on any of

the business or undertaking of any Debtor, borrow money on the security of the Collateral, which security will rank in priority to the security granted hereby;

- (h) the Security Agent may enter upon, occupy and use all or any of the premises, buildings and plants occupied by any Debtor and use all or any of the Equipment and other property of any Debtor for such time as the Security Agent requires to facilitate the realization of the Collateral, free of charge and the Security Agent will not be liable for any rent, charges, depreciation or damages in connection with such actions, nor will the Security Agent or any Receiver be or be deemed to be a mortgagee in possession by virtue of any such actions;
- (i) the Security Agent may appoint a receiver or receiver and manager (each herein referred to as the “**Receiver**”) of the whole or any part of the Collateral and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral;
- (j) the Security Agent may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith will be added to the Secured Obligations;
- (k) the Security Agent may transfer any part of the Collateral into the name of the Security Agent or its nominee if it has not already done so in accordance with Section 2.04;
- (l) the Security Agent may vote any of the Collateral (whether or not registered in the name of the Security Agent or its nominee) and give or withhold all consents, waivers and ratifications in respect thereof;
- (m) the Security Agent may exercise all rights of conversion, exchange or subscription, or any other rights, privileges or options pertaining to any of the Collateral, including the right to exchange at its discretion any of the Collateral upon the amalgamation, arrangement, merger, consolidation or other reorganization of the issuer of the Collateral, all without liability except to account for property actually received by the Security Agent; and
- (n) the Security Agent may purchase any of the Collateral, whether in connection with a sale made under the power of sale herein contained or pursuant to judicial proceedings or otherwise.

5.03 **Powers of the Receiver**

Any Receiver will have all of the rights and powers that the Security Agent is entitled to exercise pursuant to Section 5.02 but the Security Agent will not be in any way responsible for any misconduct or negligence of any such Receiver.

5.04 **Liability of Security Agent and Secured Parties**

Neither the Security Agent nor any other Secured Party will be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Security Agent, any other Secured Party, any Debtor or any other person in respect of the Collateral. In the exercise of its rights and the performance of its obligations, the Security Agent and each other Secured Party will only be liable for gross negligence or wilful misconduct.

5.05 **Protection of Third Parties**

No purchaser or other person dealing with the Security Agent, any Receiver or its agents shall be concerned to enquire:

- (a) whether the powers conferred on the Security Agent, any Receiver or its agents have arisen;
- (b) whether the powers conferred on the Security Agent, any Receiver or its agents have become exercisable;
- (c) whether any consents, regulations, restrictions or directions relating to such powers have been obtained or complied with;
- (d) whether the Security Agent, any Receiver or its agents is acting within such powers;
- (e) whether any money remains due under the Finance Documents and the receipt in writing of the Security Agent, any Receiver or its agents shall be sufficient discharge to that purchaser or other person;
- (f) as to the propriety or validity of acts purporting or intended to be in exercise of any such powers; or
- (g) as to the application of any money paid to the Security Agent, any Receiver or its agents.

5.06 **Proceeds of Realization**

The Security Agent may apply any proceeds of realization of the Collateral to payment of costs, fees and expenses mentioned in Section 5.08, including those related to the realization of the Collateral, and the Security Agent may apply any balance to payment of all other Secured Obligations in such order as the Security Agent sees fit. If there is any surplus remaining, the Security Agent may pay it to any person entitled thereto by law of whom the Security Agent has knowledge and any balance remaining shall be paid to the relevant Debtor entitled thereto. If the realization of the Collateral fails to satisfy the Secured Obligations of a particular Debtor, then such Debtor will be liable to pay any deficiency to the Security Agent.

5.07 **Waivers by a Debtor**

The Security Agent and the other Secured Parties may (a) grant extensions of time, (b) take and perfect or abstain from taking and perfecting security, (c) give up any security (including any Stock), (d) accept compositions or compromises, (e) grant releases and discharges, and (f) otherwise waive rights against any Debtor, debtors of any Debtor, guarantors and others and with respect to the Collateral and other security as the Security Agent or the relevant Secured Party sees fit. No such action or omission will reduce the Secured Obligations or affect the Security Agent's or the other Secured Parties' rights hereunder.

5.08 **Payment of Expenses**

The Security Agent may charge on its own behalf and also pay to others all reasonable out-of-pocket expenses of the Security Agent and others, including the fees and disbursements of any securities intermediary, experts or advisers (including lawyers on a solicitor and client basis) retained by the Security Agent, incurred in connection with realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, or in connection with the administration or any amendment of this Agreement or incidental to the care, safekeeping or otherwise of any Collateral. The Security Agent may deduct the amount of such expenses from any proceeds of disposition of the Collateral.

ARTICLE 6 - GENERAL

6.01 **Failure of a Debtor to Perform**

If a Debtor fails to perform any of its covenants or obligations under this Agreement and such failure has not been remedied within 10 Business Days of the Security Agent requiring it to be so remedied, the Security Agent may, in its absolute discretion, but without being required to do so, perform any such covenant or obligation. If any such covenant or obligation requires the payment of monies, the Security Agent may make such payment. All sums so paid by the Security Agent will be payable by such Debtor to the Security Agent and, for greater certainty, Section 5.08 will apply to such sums. No such performance or payment will relieve a Debtor from any default under this Agreement or any consequences of such default.

6.02 **Continuing Security**

Subject to Section 6.16, the security interests granted hereunder are continuing security interests and will extend to the ultimate balance of the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

6.03 **Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Debtor or Obligor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation or otherwise, without limitation, then the

liability of each Debtor and Obligor and the security interest granted hereunder will continue or be reinstated as if the discharge, release or arrangement had not occurred.

6.04 **Waivers of Legal Limitations**

To the fullest extent permitted by law, each Debtor waives all of the rights, benefits and protections that is given by the provisions of any law that imposes limitations upon the powers, rights or remedies of a secured party, including any law that limits the rights of a secured party to both seize Collateral and sue for any deficiency following realization of Collateral. Without limitation, each Debtor (if a corporation) agrees that the *Limitation of Civil Rights Act* and Part IV of the *Saskatchewan Farm Securities Act* of the Province of Saskatchewan will not apply to this agreement or any of the rights, remedies or powers of the Security Agent or any Receiver hereunder.

6.05 **VAT**

Clause 19.7 (VAT) of the Facilities Agreement shall apply as if it were set out in full in this Agreement, save that references in that clause to “Finance Party” shall be treated in this Agreement as being to “Secured Party”.

6.06 **Additional Debtors**

(1) The Parent may request that any other member of the Group become a Debtor hereunder.

(2) A member of the Group shall become a Debtor if the Parent and the proposed Debtor deliver to the Security Agent a duly completed and executed Security Adhesion Agreement.

(3) The Security Agent shall notify the Parent and the Senior Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) a duly completed and executed Security Adhesion Agreement.

(4) Other than to the extent the Majority Senior Lenders notify the Security Agent in writing to the contrary before the Security Agent gives the notification described in Section 6.06(3), the Senior Lenders authorize (but do not require) the Security Agent to give that notification. The Security Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

6.07 **Benefit of the Agreement**

This Agreement will be binding upon the successors of each Debtor and will enure to the benefit of the Security Agent, the other Secured Parties and the respective successors and assigns of the Security Agent and the other Secured Parties.

6.08 **Conflicts; Entire Agreement**

(1) This Agreement is subject to, and has the benefit of, the Intercreditor Agreement. In the event of any inconsistency between this Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.

(2) This Agreement, together with the other Finance Documents and any Issuer Control Agreement or Account Control Agreement Delivered to the Security Agent or any other Secured Party pursuant to the terms hereof, cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Security Agent or any other Secured Party and any Debtor with respect to the subject matter hereof except as expressly set forth in this Agreement, in any other Finance Document, in any Issuer Control Agreement, in any Account Control Agreement, or in the Facilities Agreement.

6.09 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

6.10 **Assignment**

Subject to the Facilities Agreement, the rights of the Security Agent and each of the other Secured Parties under this Agreement may be assigned by the Security Agent or such other Secured Party without the prior consent of the Debtors. No Debtor may assign its obligations under this Agreement.

6.11 **Severability**

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to the Debtors or the Secured Parties.

6.12 **Notices**

Any demand, notice or other communication to be given under this Agreement to any Debtor or the Security Agent shall be effective if given in accordance with the provisions of the Facilities Agreement as to the giving of notice to each, and each Debtor and the Security Agent may change their respective address for notices in accordance with the said provisions.

6.13 **Remedies Cumulative; Additional Continuing Security**

The rights and remedies of the Security Agent hereunder are cumulative and are in addition to and not in substitution for any other security now or hereafter held by the Security

Agent or any other rights or remedies available at law or in equity or otherwise. No single or partial exercise by the Security Agent of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which the Security Agent may be entitled. This Agreement is a continuing agreement and security that will remain in full force and effect until discharged by the Security Agent.

6.14 **Further Assurances**

(1) Subject to the Agreed Security Principles, each Debtor shall promptly do all such acts or execute all such documents (including financing statements, assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify having regard to the rights and restrictions in the Finance Documents (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):

- (a) to perfect the security interest created or intended to be created under or evidenced by this Agreement (which may include the execution of a mortgage, charge, assignment or other security interest over all or any of the assets which are, or are intended to be, the subject of the security interests created hereby) or for the exercise of any rights, powers and remedies of the Security Agent or the Secured Parties provided by or pursuant to the Finance Documents or by law; or
- (b) to confer on the Security Agent or confer on the Secured Parties security interests over any property and assets of that Debtor located in any jurisdiction equivalent or similar to the security interests intended to be conferred by or pursuant to this Agreement; and/or
- (c) to facilitate the realisation of the assets which are, or are intended to be, the subject of the security interests granted hereunder.

(2) Subject to the Agreed Security Principles, each Debtor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any security interest conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to this Agreement.

6.15 **Power of Attorney**

Each Debtor hereby irrevocably appoints any officer for the time being of the Security Agent the true and lawful attorney of such Debtor upon the occurrence of a Declared Default, with full power of substitution, to do all things and execute and deliver all such documents and instruments, including financing statements and schedules, as are referred to in Section 6.14, with the right to use the name of such Debtor whenever and wherever the officer may deem necessary or expedient and from time to time to exercise all rights and powers and to perform all acts of ownership in respect to the Collateral in accordance with this Agreement, such power being coupled with an interest.

6.16 **Discharge of Security**

(1) Subject to Section 6.16(3), once all amounts which may be or become payable by the Obligors or the Debtors under or in connection with the Finance Documents have been irrevocably paid in full and that all facilities which might give rise to Secured Obligations have terminated, the Security Agent shall at the request and cost of the Debtors promptly release, reassign or discharge (as appropriate) the Collateral from the security interests granted hereunder, without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

(2) Subject to clause 13.1 (*Non-Distressed Disposals*) of the Intercreditor Agreement, the Security Agent shall at the request and cost of the relevant Debtor (and without any consent, sanction, authority or further confirmation from any other Secured Party) release, reassign or discharge (as appropriate) any Collateral from the security interests granted hereunder.

(3) If the Security Agent considers, having taken appropriate legal advice, that any amount paid or credited to any Secured Party under any Finance Document could reasonably be expected to be avoided or otherwise set aside, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Obligations have been irrevocably paid.

6.17 **Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

6.18 **Attornment**

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. Each Debtor and the Security Agent (for the benefit of the Secured Parties) hereby attorns to the jurisdiction of the courts of the Province of Ontario.

6.19 **Counterparts; Electronic Execution**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Any party may deliver an executed signature page to this Agreement by electronic transmission and such delivery will be as effective as delivery of a manually executed copy of the Agreement by such party.

6.20 **Copy of Documents and Consent to Filings**

Each Debtor acknowledges having received a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives all rights to receive from the Security Agent a copy of any financing statement, financing change statement, or verification statement, filed or issued at any time in respect of this Agreement. Each Debtor confirms its

consent to the filing by the Security Agent or on its behalf of any financing statement or financing change statement filed or issued at any time in respect of this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement.

DEBTORS:

**BUSY BEES CANADA HOLDINGS
LIMITED REDACTED**

Per: _____

Name: Simon Irons
Title: Director

Per: _____

Name:
Title:

**EAGLE TARGET 5 LIMITED
REDACTED**

Per: _____

Name: Simon Irons
Title: Director

Per: _____

Name:
Title:

[SIGNATURE PAGE TO CANADIAN SECURITY AND PLEDGE AGREEMENT]

SECURITY AGENT:

SUMITOMO MITSUI BANKING
CORPORATION EUROPE LIMITED
REDACTED

Per: Joyce Horne
Name: REDACTED Assistant Vice President
Title: REDACTED
Per: Yuichiro Iwamoto
Name: \ Assistant Manager
Title:

[SIGNATURE PAGE TO CANADIAN SECURITY AND PLEDGE AGREEMENT]

SCHEDULE A
MATERIAL INTELLECTUAL PROPERTY

Nil.

SCHEDULE B
MATERIAL REAL PROPERTY

Nil.

**SCHEDULE C
PLEDGED SHARES**

<u>Issuer</u>	<u>Number of Securities Owned</u>	<u>Number of Securities Pledged</u>	<u>% of Total Issued and Outstanding Securities of Issuer</u>	<u>Registered Owner</u>
Busy Bees Canada Holdings Limited	1 Class A Share 3 Class B Shares	1 Class A Share 3 Class B Shares	100% of Class A Shares 30% of Class B Shares	Eagle Target 5 Limited

**SCHEDULE 3.01
DEBTOR INFORMATION AND LOCATION OF COLLATERAL**

BUSY BEES CANADA HOLDINGS LIMITED

1. ADDRESS(ES) OF PLACE(S) OF BUSINESS , LOCATION OF BOOKS AND RECORDS RELATING TO RECEIVABLES (Section 3.01(d))

Jurisdiction of organization: Canada

Chief executive office: Busy Bees
Shaftesbury Drive
Burntwood, Staffordshire
United Kingdom WS7 9QP

Registered/head office: 79 Wellington St. W, 30th Floor
Toronto, Ontario M5K 1N2

Other place(s) of business: N/A

Books & records relating to Receivables: N/A

2. LOCATION OF INVENTORY AND EQUIPMENT (Section 3.01(e))

Province(s): N/A

EAGLE TARGET 5 LIMITED

1. ADDRESS(ES) OF PLACE(S) OF BUSINESS , LOCATION OF BOOKS AND RECORDS RELATING TO RECEIVABLES (Section 3.01(d))

Jurisdiction of organization: England and Wales

Chief executive office: Busy Bees
Shaftesbury Drive
Burntwood, Staffordshire
United Kingdom WS7 9QP

Registered/head office: Busy Bees
Shaftesbury Drive
Burntwood, Staffordshire
United Kingdom WS7 9QP

Other place(s) of business: N/A

Books & records relating to Receivables: N/A

2. LOCATION OF INVENTORY AND EQUIPMENT (Section 3.01(e))

Province(s): N/A

SCHEDULE 4.10

FORM OF NOTICE OF ASSIGNMENT OF INSURANCE POLICIES

FROM:	● (the “ Security Agent ”) and ● (the “ Debtor ”)
TO:	[The Insurers] [Address]
RE:	Canadian Security and Pledge Agreement, made as of July [24], 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “ Security Agreement ”), between, among others, the Security Agent and the Debtor
DATE:	●, 20●

Dear Sirs:

1. We refer to the Security Agreement.
2. We give notice that by an assignment contained in the Security Agreement the Debtor assigned to the Security Agent by way of security all its right, title and interest from time to time in and to the insurances, details of which are set out in the attached Schedule “A” (the “**Insurance Policies**”), including all moneys or proceeds paid or payable deriving from the Insurance Policies and all rights or claims in relation to the Insurance Policies.
3. Following receipt by you of a written notice from the Security Agent specifying that a Declared Default (as defined in the Security Agreement) has occurred, all moneys payable by you to the Debtor in respect of the Insurance Policies other than third party Insurance Policies shall be paid to the account notified to you by the Security Agent.
4. Subject to any applicable legislation and despite the assignments referred to above, all sums in respect of any claim under any third party Insurance Policy by an insured party shall be paid:
 - (a) directly to the person whose claim(s) constitute(s) the risk or liability insured against, provided that such person has executed a discharge of all claims against each insured party in respect of the risk or liability in relation to which the claim was made; or
 - (b) (despite any policy term to the contrary) to the extent that insurers accept liability to indemnify the insured party in respect of the claims or liabilities which the insured party has settled directly with the claimant, to the relevant insured party.
5. We instruct you to:
 - (a) notify the Security Agent if any renewal, premium or other sum payable by the Debtor in respect of the Insurance Policies is not paid when due;

- (b) notify the Security Agent if the Debtor reduces the cover under the Insurance Policies or if any risk insured against under the Insurance Policies is restricted or cancelled; and
 - (c) if the Insurance Policies are not renewed, cover under the Insurance Policies is reduced or any risk insured against under the Insurance Policies is restricted or cancelled, to provide insurances of the assets of the Debtor reasonably required by the Security Agent and upon payment of an additional premium by the Security Agent.
- 6. This authority and instruction is irrevocable without the prior written consent of the Security Agent.
- 7. This Notice of Assignment and any non-contractual obligations arising out of or in connection with it are governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The courts of the Province of Ontario have exclusive jurisdiction to settle any dispute arising out of or in connection with this Notice of Assignment (including a dispute relating to the existence, validity or termination of this Notice of Assignment or any non-contractual obligation arising out of or in connection with this Notice of Assignment).
- 8. Please acknowledge receipt of this Notice of Assignment and confirm that:
 - (a) you will pay all moneys in respect of the Insurance Policies as directed by or pursuant to this Notice of Assignment;
 - (b) you have not received any other notice of any assignment of any Insurance Policy or of any other interest of any third party in any Insurance Policy;
 - (c) you will not claim or exercise any set-off or counterclaim in respect of any Insurance Policy; and
 - (d) you will comply with the other provisions of this Notice of Assignment.

By signing the acknowledgement on the attached copy of this Notice of Assignment and returning that copy to the Security Agent at [●], marked for the attention of [●].

SECURITY AGENT:

**SUMITOMO MITSUI BANKING
CORPORATION EUROPE LIMITED**

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

DEBTOR:

●

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

[On duplicate]

We acknowledge receipt of the Notice of Assignment of which this is a copy and confirm each of the matters referred to in paragraphs (a) – (d) of paragraph 8 of the Notice of Assignment.

INSURER:

●

Dated: ●, 20●

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

SCHEDULE “A”
INSURANCE POLICIES

[insert relevant details]

SCHEDULE 4.11

FORM OF NOTICE OF ASSIGNMENT OF ASSIGNED AGREEMENTS

FROM:	● (the “ Security Agent ”) and ● (the “ Debtor ”)
TO:	[Counterparty to the Agreement] [Address]
RE:	Canadian Security and Pledge Agreement, made as of July [24], 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “ Security Agreement ”), between, among others, the Security Agent and the Debtor
DATE:	●, 20●

Dear Sirs:

1. We refer to the Security Agreement.
2. We give notice that by an assignment contained in the Security Agreement the Debtor assigned to the Security Agent by way of security all its right, title and interest from time to time in and to the agreements, details of which are set out in the attached Schedule “A” (the “**Assigned Agreements**”), including all rights or claims in relation to the Assigned Agreements.
3. Until you receive written instructions from the Security Agent to the contrary (upon the occurrence of a Declared Default (as defined in the Security Agreement)), all moneys payable by you to the Debtor in respect of the Assigned Agreements shall be paid to the account notified to you by the Debtor.
4. Despite the assignment referred to above or the making of any payment by you to the Security Agent under or in connection with it:
 - (a) the Debtor shall remain liable to perform all its obligations under each Assigned Agreement; and
 - (b) the Security Agent and any delegate thereof shall not at any time be under any obligation or liability to you under or in respect of any Assigned Agreement.
5. You are authorised and instructed, without requiring further approval, to provide the Security Agent with such information relating to the Assigned Agreements as it may from time to time request and to send to the Security Agent and us copies of all notices issued by you.
6. This authority and instruction is irrevocable without the prior written consent of the Security Agent.

7. This Notice of Assignment and any non-contractual obligations arising out of or in connection with it are governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The courts of the Province of Ontario have exclusive jurisdiction to settle any dispute arising out of or in connection with this Notice of Assignment (including a dispute relating to the existence, validity or termination of this Notice of Assignment or any non-contractual obligation arising out of or in connection with this Notice of Assignment).
8. Please acknowledge receipt of this Notice of Assignment and confirm that:
 - (a) you will pay all moneys in respect of each Assigned Agreement as directed by or pursuant to this Notice of Assignment;
 - (b) you have not received any other notice of any assignment of an Assigned Agreement; and
 - (c) you will comply with the other provisions of this Notice of Assignment.

By signing the acknowledgement on the attached copy of this Notice of Assignment and returning that copy to the Security Agent at [●], marked for the attention of [●].

SECURITY AGENT:

**SUMITOMO MITSUI BANKING
CORPORATION EUROPE LIMITED**

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

DEBTOR:

●

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

[On duplicate]

We acknowledge receipt of the notice of assignment of which this is a copy and confirm each of the matters referred to in paragraphs (a) – (d) of paragraph 8 of the Notice of Assignment.

INSURER:

●

Dated: ●, 20●

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

SCHEDULE “A”
ASSIGNED AGREEMENTS

[insert relevant details]

SCHEDULE 6.06

FORM OF SECURITY ADHESION AGREEMENT

THIS SECURITY ADHESION AGREEMENT dated as of ●, 20● (this “**Agreement**”), is delivered pursuant to Section 6.06 of the Canadian Security and Pledge Agreement, dated as of July [24], 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “**Security Agreement**”), by the Guarantors which are from time to time party thereto as Debtors in favour of **SUMITOMO MITSUI BANKING CORPORATION EUROPE LIMITED**, as security agent for the Secured Parties referred to therein (the “**Security Agent**”). Capitalized terms used herein without definition are used as defined in the Security Agreement.

By executing and delivering this Agreement, the undersigned, as provided in Section 6.06 of the Security Agreement, hereby becomes a party to the Security Agreement as a Debtor thereunder with the same force and effect as if originally named as a Debtor therein and, without limiting the generality of the foregoing, as general and continuing security for the payment and performance of all Secured Obligations, hereby grants to the Security Agent, for the benefit of the Secured Parties, a security interest in all of the undersigned’s Collateral and, as further general and continuing security for the payment and performance of the Secured Obligations, hereby also assigns the Collateral (other than trademarks) to the Security Agent, for the benefit of the Secured Parties, and mortgages and charges the Collateral as and by way of a fixed and specific mortgage and charge to the Security Agent, for the benefit of the Secured Parties, and expressly assumes all obligations and liabilities of a Debtor thereunder. Furthermore, subject to Section 2.07 of the Security Agreement, the undersigned, as security for the payment of all Secured Obligations, assigns to the Security Agent by way of security all of its Insurance Policies. The undersigned hereby agrees to be bound as a Debtor for the purposes of the Security Agreement.

The information set forth in Annex 1 is hereby added to the information set forth in Schedules A, B, C and 3.01 to the Security Agreement. By acknowledging and agreeing to this Agreement, the undersigned hereby agrees that this Agreement may be attached to the Security Agreement.

The undersigned hereby represents and warrants that each of the representations and warranties contained in Article 3 of the Security Agreement is true and correct on and as of the date hereof as if made on and as of such date.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement.

ADDITIONAL DEBTOR:

[NAME OF ADDITIONAL DEBTOR]

Per:

Name:

Title:

Name:

Title:

SECURITY AGENT:

**SUMITOMO MITSUI BANKING
CORPORATION EUROPE LIMITED**

Per:

Name:

Title:

Per:

Name:

Title:

Annex 1

**SCHEDULE A
MATERIAL INTELLECTUAL PROPERTY**

•

**SCHEDULE B
MATERIAL REAL PROPERTY**

Owned Real Property

	<u>Debtor</u>	<u>Address and Legal Description</u>
1.		
2.		

Leased Real Property

	<u>Debtor</u>	<u>Landlord</u>	<u>Address and Legal Description</u>
1.			
2.			

**SCHEDULE C
PLEDGED SHARES**

<u>Issuer</u>	<u>Number of Securities Owned</u>	<u>Number of Securities Pledged</u>	<u>% of Total Issued and Outstanding Securities of Issuer</u>	<u>Registered Owner</u>

SCHEDULE 3.01

[Name of Additional Debtor]

1. ADDRESS(ES) OF PLACE(S) OF BUSINESS , LOCATION OF BOOKS AND RECORDS RELATING TO RECEIVABLES (Section 3.01(d))

Jurisdiction of organization:

Chief executive office:

Registered/head office:

Other place(s) of business:

Books & records relating to Receivables:

2. LOCATION OF INVENTORY AND EQUIPMENT (Section 3.01(e))

Province(s):