

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
**CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD HOLDINGS
LTD., CHESSWOOD US ACQUISITIONCO LTD., LEASE-WIN LIMITED, WINDSET
CAPITAL CORPORATION, CHESSWOOD CAPITAL MANAGEMENT INC.,
CHESSWOOD CAPITAL MANAGEMENT USA INC., 942328 ALBERTA INC., 908696
ALBERTA INC., 1000390232 ONTARIO INC. and CGL HOLDCO, LLC**

**MOTION RECORD
(Lifting of Stay of Proceedings)
Returnable November 4, 2025**

October 28, 2025

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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ARRANGEMENT ACT, R.S.C. 1985, AS AMENDED

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¹ Section headings are for managing the Service List only.

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**ONTARIO
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MOTION RECORD

I N D E X

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TAB 1

Court File No.: CV-24-00730212-00CL

**ONTARIO
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NOTICE OF MOTION

The Applicant, Royal Bank of Canada ("**RBC**"), in its capacity as administrative and collateral agent (the "**Agent**") to the lenders (the "**Pre-Filing Lenders**") under a second amended and restated credit agreement dated as of January 14, 2022, as amended (the "**Pre-Filing Credit Agreement**"), will make a motion before the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on Tuesday, November 4, 2025 at 12:00 p.m., or as soon thereafter as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- ☐ In writing under subrule 37.12.1(1) because it is (*insert one of* on consent, unopposed *or* made without notice);
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

The details for the video conference will be provided by the Court.

THE MOTION IS FOR:

1. An order (the “**Lift Stay Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) that, among other things:

- (a) orders that the stay of proceedings (the “**Stay**”) established pursuant to the amended and restated initial order dated November 7, 2024 (the “**ARIO**”) in the within proceedings be lifted to permit the Agent, for and on behalf of the Pre-Filing Lenders, to commence a proceeding (the “**Claim**”) against Chesswood Group Limited (“**Chesswood**”) and certain former directors and officers or senior management figures (the “**Individual Defendants**”) of the CCAA Parties (as defined below); and
- (b) orders and directs the registrar of the Ontario Superior Court of Justice to issue the Claim.

2. Such further and other relief as may be requested by the Agent and as this Honourable Court considers just.

3. Capitalized terms used and not defined herein have the meanings given to them in the affidavit sworn by Wenwei (Wendy) Chen on October 27, 2025 (the “**Second Chen Affidavit**”).

THE GROUNDS FOR THE APPLICATION ARE:**Background**

4. Chesswood was a holding company based in Toronto, Ontario and incorporated pursuant to the Ontario Business Corporations Act, R.S.O. 1990, c. B. 16. The business of Chesswood and

its subsidiaries consisted in originating loans and leases, collecting interest and principal thereon, and in certain cases selling or securitizing the loans and leases for payment.

5. The primary secured lenders to the Chesswood Group are the Pre-Filing Lenders comprised of RBC, The Toronto-Dominion Bank, The Huntington National Bank, M&T Bank, Canadian Imperial Bank of Commerce and Laurentian Bank of Canada. The Pre-Filing Lenders provided credit facilities to Chesswood pursuant to the Pre-Filing Credit Agreement with an original commitment of a maximum aggregate principal amount of US\$300 million.

6. Due in part to certain financial irregularities that were discovered at the end of May 2024, resulting in the Lending Limit being exceeded and a Borrowing Base deficiency of approximately US\$92 million (the “**Borrowing Base Deficiency**”), Events of Default (as defined in the Pre-Filing Credit Agreement) occurred pursuant to the Pre-Filing Credit Agreement. The Borrowing Base Deficiency and Events of Default are described in detail in the affidavit of Wenwei (Wendy) Chen sworn October 28, 2024 (the “**First Chen Affidavit**”).

7. Due in part to the ongoing Events of Default and the significant obligations owing to the Pre-Filing Lenders under the Pre-Filing Credit Agreement, the Agent applied to this Court on October 28, 2024 for an initial order (the “**Initial Order**”) under the CCAA.

8. On October 29, 2024, the Court granted the Initial Order. Among other things, the Initial Order appointed FTI Consulting Canada Inc. as monitor (the “**Monitor**”) of the “**CCAA Parties**” which now consist of Chesswood Group Limited, Case Funding Inc., Chesswood Holdings Ltd., Chesswood US Acquisitionco Ltd., Lease-Win Limited, Windset Capital Corporation, Chesswood Capital Management Inc., Chesswood Capital Management USA Inc., 942328 Alberta Inc. (formerly Rifco National Auto Finance Corporation), 908696 Alberta Inc. (formerly Rifco Inc.), 1000390232 Ontario Inc. and CGL Holdco, LLC. The Initial Order also established the Stay,

which applies to Chesswood, as well as the former, current or future directors or officers of the CCAA Parties.

9. During these CCAA proceedings, the Chesswood Group and the Monitor have engaged in an extensive marketing of the Chesswood Group's assets that has seen substantially all of its assets sold. At this point of the CCAA Proceedings, the CCAA Parties have no material assets and no operating businesses remaining.

10. On October 2, 2025, the Court granted an order (the "**Stay Extension and Ancillary Matters Order**") that extended the Stay Period to January 30, 2026 to allow the Monitor to complete certain wind-down activities before the termination of the CCAA proceedings. Among the wind-down activities the Monitor intends to complete before the termination of the CCAA proceedings is the establishment of a protocol (the "**Books and Records Protocol**") that sets out the procedure for the retention of certain of the CCAA Parties' physical and electronic records at the request of parties who may have claims against the CCAA Parties and/or their directors and officers, or at the request of defendants to such claims. The Books and Records Protocol was approved by this Court pursuant to the Stay Extension and Ancillary Matters Order. The Books and Records Protocol provides that parties may make written requests in respect of the retention of particular books and records of the CCAA Parties on or before November 28, 2025 (the "**Request Deadline**") and that the Monitor is authorized to make arrangements to destroy any books and records that are not subject to a request following December 31, 2025.

11. The Pre-Filing Lenders have determined that it is prudent to direct the Agent to move to lift the Stay and bring the Claim against Chesswood and the Individual Defendants in respect of matters related to the Borrowing Base Deficiency at this time so that the defendants to the Claim have an opportunity to make a request in respect of the retention of particular books and records

of the CCAA Parties in accordance with the Books and Records Protocol, if they so choose, prior to the Request Deadline.

OTHER GROUNDS

12. The provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;

13. Rule 2.03, 3.02, 14.05 and 16 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

14. Such further and other grounds as counsel may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this Application:

- (a) The Second Chen Affidavit;
- (b) The First Chen Affidavit;
- (c) The Eighth Report of the Monitor;
- (d) The Supplement to the Eighth Report of the Monitor; and
- (e) Such further and other evidence as counsel may advise and this Honourable Court permit.

Date: October 28, 2025

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Court File No.: CV-24-00730212-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CHESSWOOD GROUP LIMITED, et al.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

NOTICE OF MOTION

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TAB 2

Court File No. CV-24-00730212-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD HOLDINGS
LTD., CHESSWOOD US ACQUISITIONCO LTD., LEASE-WIN LIMITED, WINDSET
CAPITAL CORPORATION, CHESSWOOD CAPITAL MANAGEMENT INC.,
CHESSWOOD CAPITAL MANAGEMENT USA INC., 942328 ALBERTA INC., 908696
ALBERTA INC., 1000390232 ONTARIO INC. and CGL HOLDCO, LLC

AFFIDAVIT OF WENWEI (WENDY) CHEN
 (Sworn October 27, 2025)

I, Wenwei (Wendy) Chen, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY AS FOLLOWS:

1. I am a Director, Special Loans and Advisory Services, Capital Markets, at Royal Bank of Canada (“RBC”) and have knowledge of the matters deposed to in this Affidavit. I am authorized to make this Affidavit on behalf of RBC, in its capacity as administrative agent (the “**Pre-Filing Administrative Agent**”) and collateral agent (the “**Pre-Filing Collateral Agent**”, together with the Pre-Filing Administrative Agent, the “**Agent**”) to the lenders (the “**Pre-Filing Lenders**”) under the Pre-Filing Credit Agreement (as defined below). Where this Affidavit is not based on my direct personal knowledge, it is based on information and belief, and I verily believe such information to be true.

2. I have reviewed the business records maintained by RBC in respect of the matters at issue, which I verily believe were made in the ordinary and usual course of business, and where

I do not have direct personal knowledge of matters deposed to herein, my knowledge is derived from my review of the business records of RBC, relevant copies of which are attached to this Affidavit. Where I refer to matters pertaining to the structure and operation of the Chesswood Group (as defined below) and their businesses, my information is derived from files maintained by RBC, information either obtained from the Chesswood Group directly or from FTI Consulting Canada Inc. (“**FTI**”), in its capacity as monitor (the “**Monitor**”) of Chesswood Group Limited, Case Funding Inc., Chesswood Holdings Ltd., Chesswood US Acquisitionco Ltd., Lease-Win Limited, Windset Capital Corporation, Chesswood Capital Management Inc., Chesswood Capital Management USA Inc., 942328 Alberta Inc. (formerly Rifco National Auto Finance Corporation), 908696 Alberta Inc. (formerly Rifco Inc.), 1000390232 Ontario Inc. and CGL Holdco, LLC (collectively, the “**CCAA Parties**” and each a “**CCAA Party**”) and publicly available data.

3. This Affidavit is sworn in support of a motion (the “**Motion**”) by the Agent for an order (the “**Lift Stay Order**”) and related relief pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) lifting the stay of proceedings (the “**Stay**”) imposed in these CCAA proceedings pursuant to the Amended and Restated Initial Order of this Court dated November 7, 2024. The Agent requests that the Lift Stay Order be granted so that the Agent can pursue certain claims against Chesswood Group Limited (“**Chesswood**”) and certain former directors and officers or senior management figures of the Chesswood Group (the “**Individual Defendants**”).

4. Unless otherwise stated, all amounts set out in this Affidavit are denominated in United States dollars. Capitalized terms used but not defined herein have the meaning given to them in the Pre-Filing Credit Agreement.

I. BACKGROUND

5. Chesswood is a holding company based in Toronto, Ontario and incorporated pursuant to the *Ontario Business Corporations Act*, R.S.O. 1990, c. B. 16 (“**OBCA**”). Chesswood and its subsidiaries operated in speciality finance across various industries and sectors. The business of Chesswood and its subsidiaries consisted in originating loans and leases, collecting interest and principal thereon, and in certain cases selling or securitizing the loans and leases for payment. These subsidiaries included, but were not limited to:

- (a) Pawnee Leasing Corporation (“**Pawnee**”), incorporated pursuant to the laws of Colorado, United States and providing equipment financing across a range of credit profiles, principally in the United States;
- (b) Rifco National Auto Finance Corporation (“**Rifco**”), incorporated pursuant to the laws of Alberta, Canada and providing vehicle financing for new and used automobiles in Canada;
- (c) Vault Credit Corporation (“**Vault Credit**”), incorporated pursuant to the *OBCA* and providing equipment financing principally to small and medium-sized businesses in Canada;
- (d) Vault Home Credit Corporation (“**Vault Home**”), incorporated pursuant to the *OBCA* and providing home improvement and other consumer financing solutions to borrowers in Canada; and

- (e) Waypoint Investment Partners Inc. (“**Waypoint**”), incorporated pursuant to the *OBCA*. Waypoint is an investment firm offering exposure to, among other things, the equipment financing sector and equipment and consumer financing credit.
6. The primary secured lenders to the Chesswood Group are the Pre-Filing Lenders comprised of RBC, The Toronto-Dominion Bank, The Huntington National Bank, M&T Bank, Canadian Imperial Bank of Commerce and Laurentian Bank of Canada.
7. The Pre-Filing Lenders provided credit facilities to Chesswood pursuant to a second amended and restated credit agreement dated as of January 14, 2022, as amended by a first amending agreement dated as of March 31, 2022, a second amending agreement dated July 27, 2022, a third amending agreement dated as of December 13, 2022, a fourth amending agreement dated as of June 30, 2023, a fifth amending agreement dated as of December 22, 2023 and a sixth amending agreement dated as of June 21, 2024 (as may be further amended, modified, supplemented, restated or replaced from time to time, the “**Pre-Filing Credit Agreement**”). A copy of the Pre-Filing Credit Agreement is attached hereto as **Exhibit “A”**.
8. The original commitment of the Pre-Filing Lenders under the Pre-Filing Credit Agreement was a maximum aggregate principal amount of \$300 million.
9. To secure its obligations under the Pre-Filing Credit Agreement, the Chesswood Group granted the Pre-Filing Lenders a security interest over all of its present and after acquired undertakings and property, pursuant to guarantees and security agreements dated as of December 8, 2014.

II. THE BORROWING BASE ERRORS AND EVENTS OF DEFAULT

10. The availability of borrowings to Chesswood under the Pre-Filing Credit Agreement was determined by a borrowing base (the “**Borrowing Base**”) which is determined by a detailed formula in the Pre-Filing Credit Agreement based on the value of certain specified eligible receivables and specified margins, plus certain specified limits (the “**Lending Limit**”). The Borrowing Base as set out in a Borrowing Base certificate (the “**Borrowing Base Certificate**”) was required to be delivered by Chesswood to the Agent monthly. For each requested borrowing, Chesswood was required to deliver a Borrowing Base Certificate, in the form attached to the Pre-Filing Credit Agreement, which certifies the various amounts required to calculate the Borrowing Base Certificate.

11. As described in detail at paragraphs 76-82 of my affidavit sworn October 28, 2024 (the “**First Chen Affidavit**”), certain financial irregularities were discovered at the end of May 2024, resulting in the Lending Limit being exceeded and a Borrowing Base deficiency of approximately \$92 million (the “**Borrowing Base Deficiency**”). A copy of the First Chen Affidavit without exhibits is attached hereto as **Exhibit “B”**.

12. As confirmed by certain Borrowing Base Certificates delivered by Chesswood, the Accommodations Outstanding under the Pre-Filing Credit Agreement had exceeded the Lending Limit. This constituted an Event of Default under Section 10.1(a) of the Pre-Filing Credit Agreement (the “**Borrowing Base Event of Default**”).

13. In addition to the Borrowing Base Event of Default, certain other Events of Default had occurred and were continuing under the Pre-Filing Credit Agreement. These Events of Default are summarized at paragraph 83 of the First Chen Affidavit.

14. Following the Borrowing Base Event of Default and the other Events of Default, the Pre-Filing Lenders entered into certain waiver agreements with Chesswood, which were intended to allow the Chesswood Group to sell certain of its assets in order to reduce the amount of indebtedness owing to the Pre-Filing Lenders. Although the Chesswood Group was successful in completing several sale transactions following the waivers, it was unable to effect sales of a large part of its business, and significant indebtedness remained outstanding under the Pre-Filing Credit Agreement. The waivers and sale transactions are explained in detail in the First Chen Affidavit at paragraphs 84-89.

15. As a result of the failure of the Chesswood Group to sufficiently reduce the obligations owing to the Pre-Filing Lenders, and due to the ongoing Events of Default, the Agent applied to this Court on October 28, 2024 for an initial order under the CCAA that would allow the Chesswood Group to obtain interim financing to allow it to continue operations while engaging in a sale or wind down of its remaining assets for the benefit of its stakeholders, including the Pre-Filing Lenders, other creditors and employees.

III. THE CHESSWOOD GROUP'S CCAA PROCEEDINGS

16. On October 29, 2024, this Court granted an order (the “**Initial Order**”) that, among other things, established the Stay until November 8, 2024 (the “**Stay Period**”), approved interim financing arrangements¹ for the benefit of the Chesswood Group and appointed FTI as Monitor with enhanced powers to manage the Chesswood Group and the sale of its assets, for the benefit of its stakeholders.

¹ The interim financing was provided by the Pre-Filing Lenders.

17. On November 7, 2024, this Court granted an order amending the Initial Order (the “**Amended and Restated Initial Order**”) which, among other things, extended the Stay Period. The Amended and Restated Initial Order provides that the Stay applies not only to claims against any of the CCAA Parties, including Chesswood, but also to any claim against any of the former, current or future directors or officers of the CCAA Parties.

18. Following the issuance of the Amended and Restated Initial Order, the Chesswood Group and the Monitor engaged in an extensive marketing of the Chesswood Group’s assets. These efforts resulted in the sale of substantially all of the assets of the Chesswood Group. During this time, the Stay Period was extended several times by orders of this Court.

19. At this point of the CCAA proceedings, the CCAA Parties have no material assets and no operating businesses remaining.

20. On October 2, 2025, this Court granted an order (the “**Stay Extension and Ancillary Matters Order**”) that extended the Stay Period to January 30, 2026 to allow the Monitor to complete certain wind-down activities before the termination of the CCAA proceedings. Among the wind-down activities the Monitor intends to complete before the termination of the CCAA proceedings, which are set out in detail in the Eighth Report of the Monitor and the Supplement to the Eighth Report of the Monitor, is the establishment of a protocol (the “**Books and Records Protocol**”) that sets out the procedure for the retention of certain of the CCAA Parties’ physical and electronic records at the request of parties who may have claims against the CCAA Parties and/or their directors and officers, or at the request of defendants to such claims. The Books and Records Protocol was approved by this Court pursuant to the Stay Extension and Ancillary Matters Order. The Books and Records Protocol provides that parties may make written requests to the

Monitor in respect of the retention of particular books and records of the CCAA Parties on or before November 28, 2025 (the “**Request Deadline**”) and that the Monitor is authorized to make arrangements to destroy any books and records that are not subject to a request following December 31, 2025.

IV. STATEMENT OF CLAIM AND LIFTING OF STAY

21. Notwithstanding the sale of the Chesswood Group’s assets during the CCAA proceedings and the distribution of proceeds from such sales to the Pre-Filing Lenders as secured creditors of the Chesswood Group (after repayment in full of the interim financing previously approved by this Court), the Pre-Filing Lenders are still owed approximately C\$83.2 million as at October 24, 2025 pursuant to the Pre-Filing Credit Agreement.

22. The Pre-Filing Lenders have determined that it is prudent to direct the Agent to move to lift the Stay and bring a claim (the “**Claim**”) against Chesswood and the Individual Defendants in respect of matters related to the Borrowing Base Deficiency at this time so that the defendants to the Claim have an opportunity to make a request in respect of the retention of particular books and records of the CCAA Parties in accordance with the Books and Records Protocol, if they so choose, prior to the Request Deadline. As the Stay has been extended to January 30, 2026, and the Monitor is authorized to destroy the books and records after December 31, 2025, lifting the Stay so that the Agent can issue the Claim now will allow the defendants to the Claim to ensure that the books and records of the CCAA Parties that they may require to defend the Claim are retained and not destroyed if the Agent waits until after the Stay expires on January 30, 2026.

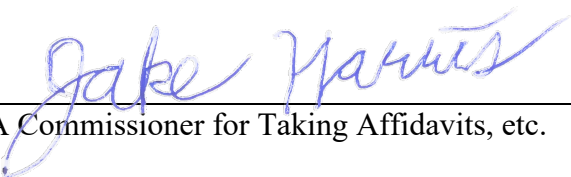
to bring the Claim. A copy of the draft statement of claim in respect of the Claim is attached hereto as **Exhibit "C"**.

V. CONCLUSION

23. For the reasons set out above, I believe that the Lift Stay Order should be granted.

24. I swear this Affidavit in support of the Agent's application for the Lift Stay Order pursuant to the CCAA and for no other purpose.

Sworn by video conference by Wenwei)
(Wendy) Chen of the City of Toronto, in the)
Province of Ontario on October 27, 2025, in)
accordance with O.Reg.431/20, Administering)
Oath or Declaration Remotely)


A Commissioner for Taking Affidavits, etc.



This is **Exhibit “A”** referred to in the
Affidavit of Wendy (Wenwei) Chen
sworn before me by video conference
this 27th day of October, 2025


A Commissioner, etc.

Jake Harris, LSO #85481T

~~Conformed Copy~~
~~Includes amendments dated~~
~~March 31, 2022~~
~~July 26, 2022~~
~~December 13, 2022~~
~~June 30, 2023~~
~~December 22, 2023~~ Exhibit A to Amending Agreement dated
June 21, 2024

CHESSWOOD GROUP LIMITED

as Borrower

and

THE LENDERS LISTED
ON THE SIGNATURE PAGES

as Lenders

and

ROYAL BANK OF CANADA

as Collateral Agent

and

ROYAL BANK OF CANADA

as Administrative Agent

and

ROYAL BANK OF CANADA

as Sole Bookrunner

and

ROYAL BANK OF CANADA AND TD SECURITIES

as Co-Lead Arrangers

and

TD SECURITIES AND HUNTINGTON NATIONAL BANK

as Co-Syndication Agents

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

January 14, 2022

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SECOND AMENDED AND RESTATED CREDIT AGREEMENT

SECOND AMENDED AND RESTATED CREDIT AGREEMENT made as of January 14, 2022 among CHESSWOOD GROUP LIMITED, as Borrower, the lenders from time to time party hereto, as Lenders, ROYAL BANK OF CANADA, as Collateral Agent, and ROYAL BANK OF CANADA, as Administrative Agent.

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

“275 Ontario Inc.” means 2750036 Ontario Inc. and its successors and assigns.

“Acceptable Electronic Financing Instrument” means an Electronic Financing Instrument of an Originator that satisfies the requirements set forth in the Security Agreement of such Originator (for so long as such Electronic Financing Instrument satisfies all of such requirements) and is under the control of the Collateral Agent (within the meaning of Section 9-105 of the UCC).

“Account” means a trade account, account receivable, lease receivable, note receivable, equipment finance agreement receivable (whether a loan receivable, payment receivable or other receivable), loan receivable, conditional sales agreement receivable, other receivable, or other right to payment for goods sold or leased or services rendered, and shall include any “account” as defined in Article 9 of the UCC or in the PPSA, as applicable.

“Account Debtor” means any Person who is or may become obligated under, with respect to, or on account of, an Account or a Financing Instrument, and shall include any “account debtor” as defined in Article 9 of the UCC and any “debtor” as defined in the PPSA.

“Accommodation” means (i) an Advance made by a Lender on the occasion of any Borrowing, and ~~(ii) the creation and purchase of Bankers’ Acceptances or the purchase of completed Drafts by a Lender or by any other Person on the occasion of any Drawing, and (iii) the issue of a Documentary Credit by the Issuing Bank on the occasion of any Issue (each of which is a “Type” of Accommodation).~~

“Accommodation Notice” means a Borrowing ~~Notice, a Drawing~~ Notice, an Issue Notice or an Election Notice, as the case may be.

“Accommodations Outstanding” means, in relation to the Borrower and any Lender at any time, an amount equal to the sum of (i) the aggregate principal amount of all outstanding Advances made by the Lender, and ~~(ii) the aggregate Face Amount of all outstanding Bankers’ Acceptances, completed Drafts and BA Equivalent Notes which the Lender has purchased or arranged to have purchased, and (iii) the rateable portion of the aggregate Face Amount of all outstanding Documentary Credits for which the Lender is contingently liable; and, in relation to the Borrower and all Lenders at any time, means the sum of the Accommodations Outstanding to each Lender. To the extent a Lender has purchased a participation in a Swingline Advance pursuant to Section 3.5, such participation interest shall also be included in the calculation of Accommodations Outstanding with respect to such Lender. In determining Accommodations Outstanding, the foregoing amounts shall be expressed in U.S. Dollars and each relevant Canadian Dollar amount shall be converted, for purposes of such calculation, into the Equivalent Amount in U.S. Dollars, as of the relevant day.~~

“ADA” means allowance for doubtful accounts.

“Additional Lenders” has the meaning specified in Section 2.7(2).

“Adjusted Daily Compounded CORRA” means, for purposes of any calculation, the rate per annum equal to (a) Daily Compounded CORRA for such calculation plus (b) the Daily Compounded CORRA Adjustment; provided that if Adjusted Daily Compounded CORRA as so determined shall be less than 0.00%, then Adjusted Daily Compounded CORRA shall be deemed to be 0.00%.

“Adjusted Leverage Ratio” means, at any time, the ratio of (a) Consolidated Indebtedness to (b) Consolidated Tangible Net Worth minus the total shareholders’ equity of the Borrower and the Subsidiaries determined on a consolidated basis in all SPV Subsidiaries.

“Adjusted Term SOFR Rate” means an interest rate per annum equal to (a) Term SOFR, plus (b) the Term SOFR Adjustment; provided that if Adjusted Term CORRA as so determined shall ever be less than 0.00%, then Adjusted Term CORRA shall be deemed to be 0.00%.

“Adjusted Term SOFR Rate” means an interest rate per annum equal to (a) Term SOFR, plus (b) the Term SOFR Adjustment.

“Administrative Agent” means Royal Bank of Canada as administrative agent for the Lenders under this Agreement and the other Credit Documents, and any successor administrative agent appointed pursuant to Section 11.10, and their successors and permitted assigns.

“Advances” means advances made by a Lender pursuant to Article 3 and “Advance” means any one of such advances. An Advance under the Swingline Facility is designated a “Swingline Advance”. Advances are denominated in Canadian Dollars (a “Canadian Dollar Advance”) or in U.S. Dollars (a “U.S. Dollar Advance”). A Canadian Dollar Advance is designated a “Canadian Prime Rate Advance” or a “Daily Compounded CORRA Advance” or a “Term CORRA Advance” and a U.S. Dollar Advance may be designated a “SOFR Rate Advance” or a “U.S. Prime Rate Advance”, provided that a Swingline Advance denominated in U.S. Dollars shall be designated a U.S. Prime Rate Advance. Canadian Prime Rate Advances and U.S. Prime Rate Advances are referred to, collectively, as “Floating Rate Advances”. Each of a SOFR Rate Advance, a Canadian Prime Rate Advance, a Daily Compounded CORRA Advance, a Term CORRA Advance, a U.S. Prime Rate Advance and a Swingline Advance is a “Type” of Advance.

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

“Agents” means the Administrative Agent and the Collateral Agent.

“Agreement” means this amended and restated credit agreement as amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time; and the expressions “Article” and “Section” followed by a number mean and refer to the specified Article or Section of this Agreement.

“Anti-Terrorism Laws” means any law, judgment, order, executive order, decree, ordinance, rule or regulation related to terrorism financing or money laundering including Part II.1 of the Criminal Code, R.S.C. 1985, c.C-46, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, S.C. 2000, c. 17, the *United Nations Act*, R.S.C. 1985, c. U-2.2, the *Patriot Act*, *The Currency and Foreign Transactions Reporting Act* (31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959) (also known as the “Bank

Secrecy Act”), the *Trading With the Enemy Act* (50 U.S.C. § 1 et seq.) and Executive Order 13224 (effective September 24, 2001).

“Applicable Law” means, (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgment, order, writ, injunction, determination, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the Assets of such Person.

“Applicable Margin” means, at any time, subject to Section 2.8, for each of Canadian Prime Rate Advances, U.S. Prime Rate Advances, SOFR Rate Advances, BA Instruments, Documentary Credit participation fees payable pursuant to Section 5.7(1), and commitment fees payable pursuant to Section 2.9, the margins in basis points per annum set forth below:

Pricing Level:	Level I Leverage Ratio ≤ 3.5:1	Level II Leverage Ratio > 3.5:1
Type of Accommodation:	Pricing (Basis points per annum)	Pricing (Basis points per annum)
Canadian Prime Rate Advances	135.000	175.00
U.S. Prime Rate Advances	135.000	175.00
SOFR Rate Advances	250.000	300.00
Drawing Fee for BA Instruments <u>COR</u> <u>RA Advances</u>	250.000	300.00
Documentary Credit Participation Fee	250.00	300.00
Commitment Fee	56.250	67.500

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

“Asset” means, with respect to any Person, any property (including real property), assets and undertakings of such Person of every kind and wheresoever situate, whether now owned or hereafter acquired (and, for greater certainty, includes any equity or like interest of such Person in any other Person).

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee and accepted by the Administrative Agent, in substantially the form of Schedule 12.6(2) or any other form approved by the Administrative Agent.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an Interest Period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date, and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 9.7(4).

~~“Bankers’ Acceptance” has the meaning specified in Section 4.1(1).~~

~~“BA Equivalent Note” has the meaning specified in Section 4.3(3).~~

~~“BA Instruments” means, collectively, Bankers’ Acceptances, Drafts and BA Equivalent Notes, and, in the singular, any one of them.~~

“BC Loan Agreement” means an agreement evidencing a BC Loan, and includes an agreement (or the relevant portion thereof) evidencing a BC Loan maintained, in whole or in part, in electronic format (whether from the outset or converted from a non-electronic format).

“BC Loans” means financing loans between Blue Chip, as lender and/or secured party, and a Person other than Blue Chip, as borrower and/or debtor, entered into in the normal course of Blue Chip’s business, pursuant to which (a) an advance or loan is made by Blue Chip to such Person, and (b) such Person grants to Blue Chip a lien or security interest in its property and assets to secure such Person’s obligations to Blue Chip.

“Benchmark” means, initially, the Adjusted Term SOFR Rate; provided that if a Benchmark Transition Event has occurred with respect to the Adjusted Term SOFR Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 9.7.

“Benchmark Replacement” means, with respect to any Benchmark Transition Event, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

- (a) Daily Simple SOFR; or
- (b) the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than 0.00%, the Benchmark Replacement will be deemed to 0.00% for the purposes of this Agreement and the other Credit Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any

selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar- denominated syndicated credit facilities at such time.

“Benchmark Replacement Date” means, with respect to any Benchmark, the earliest to occur of the following events with respect to the then-current Benchmark:

- (a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or
- (b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative or non-compliant with or non-aligned with the IOSCO Principles; provided, that such non-representativeness, non-compliance or non-alignment will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

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

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

- (a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark

(or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

- (c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

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

“Benchmark Unavailability Period” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 9.7 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 9.7.

“Beneficiary” means, in respect of any Documentary Credit, the beneficiary named in the Documentary Credit.

“Blue Chip Acquisition” means the acquisition by the Borrower of all of the issued and outstanding shares in the capital of Blue Chip and EcoHome on March 17, 2015.

“Blue Chip” means Blue Chip Leasing Corporation and its successors and assigns.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Board of Directors” means, with respect to any Person, (i) in the case of any corporation, the board of directors of such Person, (ii) in the case of any limited liability company, the board of managers of such Person, (iii) in the case of any partnership, the board of directors of the general partner of such Person and (iv) in any other case, the functional equivalent of the foregoing.

“Borrower” means, at any time, Chesswood Group Limited, a corporation under the laws of the Province of Ontario, and its successors and permitted assigns.

“Borrower’s Accounts” means the Borrower’s Canadian Dollar and U.S. Dollar accounts maintained by the Administrative Agent at its principal office, the particulars of which shall have been notified by the Administrative Agent to the Borrower.

“Borrowing” means a borrowing consisting of one or more Advances.

“Borrowing Base” means, at any time, an amount equal to the sum of:

- (i) the lesser of (x) 80% of the Face Value of Eligible Commercial Financing Instrument Receivables of the Originators that are prime receivables as per the then current credit policy and procedure in use by an Originator which shall be based on the quantitative and qualitative guidelines in such Originator’s then current matrix and guidelines for Financing Instrument Receivables of this type

- (“Prime Receivables”), and (y) 85% of the Net Present Value of Eligible Commercial Financing Instrument Receivables of the Originators that are Prime Receivables, plus
- (ii) the least of (x) 65% of the Face Value of Eligible Commercial Financing Instrument Receivables of the Originators that are near prime receivables as per the then current credit policy and procedure in use by an Originator which shall include the quantitative and qualitative guidelines in such Originator’s most recent matrix and guidelines for Financing Instrument Receivables of this type (“Near Prime Receivables”), (y) 75% of the Net Present Value of Eligible Commercial Financing Instrument Receivables the Originators that are Near Prime Receivables, and (z) 85% of the Equipment Cost of Eligible Related Equipment of the Originators that relates to a Near Prime Receivable, plus
 - (iii) 65% of the Face Value of Eligible Rifco Financing Instrument Receivables (subject to a maximum amount of 15% of the aggregate Commitments and provided that the maximum amount of Eligible Rifco Financing Instrument Receivables owing by the same Account Debtor that may be included in the Borrowing Base shall not exceed \$50,000), plus
 - (iv) 80% of the Face Value of Eligible Vault Home Financing Instrument Receivables.

Notwithstanding the foregoing, the Margined Amount of all Eligible Modified Receivables and Delinquent Receivables included in the Borrowing Base shall not exceed 5% of the total Borrowing Base (with any such excess deemed to be ineligible for the Borrowing Base).

Notwithstanding clause (xi) of the definition of “Eligible Commercial Financing Instrument Receivables”: (i) the Margined Amount of Eligible Commercial Financing Instrument Receivables of Pawnee that are Prime Receivables with an original term in excess of 60 months but equal to or less than 84 months, shall not exceed 15% of the aggregate Margined Amount of Eligible Commercial Financing Instrument Receivables of Pawnee that are Prime Receivables; (ii) the Margined Amount of Eligible Commercial Financing Instrument Receivables that are Near Prime Receivables with an original term in excess of 60 months but equal to or less than 72 months, shall not exceed 5% of the total Borrowing Base; and (iii) in the case of Near Prime Receivables, Financing Instrument Receivables with respect to a Financing Instrument with an original term in excess of 72 months shall not be eligible under the Borrowing Base. In addition, once an Eligible Commercial Financing Instrument Receivable is classified as a Near Prime Receivable, it cannot migrate into the Prime Receivable category.

Notwithstanding clause (xii)(ii) and (xii)(iii) of the definition of “Eligible Commercial Financing Instrument Receivables”: (i) the Margined Amount of Eligible Commercial Financing Instrument Receivables of Pawnee that are Prime Receivables in excess of \$750,000 or Cdn.\$750,000, as applicable, but equal to or less than \$1,000,000 or Cdn.\$ 1,000,000, as applicable, shall not exceed 15% of the total Borrowing Base; (ii) in the case of Eligible Commercial Financing Instrument Receivables of Pawnee that are Prime Receivables in excess of \$1,000,000 or Cdn.\$ 1,000,000, as applicable, only the Margined Amount in excess of \$1,000,000 or Cdn.\$ 1,000,000, as applicable, shall not be eligible under the Borrowing Base; and (iii) in the case of Eligible Commercial Financing Instrument Receivables of Pawnee that are Near Prime Receivables in excess of \$250,000 or Cdn.\$250,000, as applicable, only the Margined Amount in excess of \$250,000 or Cdn.\$250,000, as applicable, shall not be eligible under the Borrowing Base.

In determining the amount of the Borrowing Base, the foregoing amounts shall be expressed in U.S. Dollars and each relevant Canadian Dollar amount shall be converted, for purposes of such calculation, into the Equivalent Amount in U.S. Dollars, as of the relevant day.

“Borrowing Base Certificate” means a certificate of the Borrower, substantially in the form of Schedule 8.1(b), mathematically computing the Borrowing Base and signed on behalf of the Borrower by its chief financial officer or any other officer acceptable to the Administrative Agent.

“Borrowing Notice” has the meaning specified in Section 3.2(1).

“Buildings and Fixtures” means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on any of the Subject Properties.

“Business” means acting as a holding company for the various business lines of the Borrower which consist of (i) through its interests in Pawnee, providing business equipment leasing and lending and inventory financing solely in conjunction with vendor equipment financing programs, (ii) providing working capital and other loans to small businesses, (iii) providing legal financing to plaintiffs and attorneys and the purchase of medical liens that form part of litigation, (iv) through its interest in Blue Chip and Vault Credit, providing commercial equipment and improvements leasing and lending and inventory financing solely in conjunction with vendor equipment financing programs, (v) through its interest in Tandem, sourcing commercial equipment originations through equipment vendors and distributors in the United States, (vi) through its interest in Vault Home, home improvement and consumer financing, (vii) through its interest in CCMI and CCMIUS, capital management and investment advisory services, (viii) through its interest in Rifco from and after the Rifco Acquisition, consumer automotive financing, (ix) through its interest in Waypoint, asset management services and (x) through its interest in ELFI AcquireCo, providing legal financing to plaintiffs, defendants and attorneys.

“Business Day” means any day of the year, other than a Saturday, Sunday or any day on which banks are closed for business in Toronto, Ontario or New York, New York; provided that, when used in connection with a SOFR Rate Advance, or any other calculation or determination involving SOFR, the term “Business Day” means any day that is only a U.S. Government Securities Business Day.

“Canadian Available Tenor” means, as of any date of determination and with respect to the then- current Canadian Benchmark, as applicable, (x) if such Canadian Benchmark is a term rate, any tenor for such Canadian Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Canadian Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Canadian Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Canadian Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 9.5(d).

“Canadian Benchmark” means, initially, the Term CORRA Reference Rate or Daily Compounded CORRA, as the case may be; provided that if a Canadian Benchmark Transition Event has occurred with respect to the Term CORRA Reference Rate, Daily Compounded CORRA or the then-current Canadian Benchmark, then “Canadian Benchmark” means the applicable Canadian Benchmark Replacement to the extent that such Canadian Benchmark Replacement has replaced such prior Canadian Benchmark rate pursuant to Section 9.5(a).

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

(a) where a Canadian Benchmark Transition Event has occurred with respect to the Term CORRA Reference Rate, Daily Compounded CORRA, or

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

provided that, if the Canadian Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than 0.00%, the Canadian Benchmark Replacement will be deemed to be 0.00% for the purposes of this Agreement and the other Credit Documents.

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

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

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

(a) in the case of clause (a) or (b) of the definition of "Canadian Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Canadian Benchmark (or the published

component used in the calculation thereof) permanently or indefinitely ceases to provide all Canadian Available Tenors of such Canadian Benchmark (or such component thereof); or

- (b) in the case of clause (c) of the definition of “Canadian Benchmark Transition Event,” the first date on which such Canadian Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Canadian Available Tenor of such Canadian Benchmark (or such component thereof) continues to be provided on such date.

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

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

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

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

“Canadian Benchmark Unavailability Period” means, the period (if any) (a) beginning at the time that a Canadian Benchmark Replacement Date has occurred if, at such time, no Canadian Benchmark Replacement has replaced the then-current Canadian Benchmark for all purposes hereunder

and under any Credit Document in accordance with Section 9.5 and (b) ending at the time that a Canadian Benchmark Replacement has replaced the then-current Canadian Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 9.5.

“Canadian Dollars”, and “Cdn. \$” each means lawful money of Canada.

“Canadian Prime Rate” means, at any time, the rate of interest per annum equal to the greater of: (i) the rate which the principal office of the Administrative Agent in Toronto, Ontario then quotes, publishes and refers to as its “prime rate” and which is its reference rate of interest for loans in Canadian Dollars made in Canada to commercial borrowers, and (ii) ~~the sum of (x) the average of the rates per annum for Canadian Dollar bankers’ acceptances having a term of one month that appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on the date of determination, as reported by the Administrative Agent (and if such screen is not available, any successor or similar service as may be selected by the Administrative Agent), and (y) 1.0%~~ Adjusted Term CORRA for an interest period of one month in effect from time to time plus 100 basis points per annum, in each case, adjusted automatically with each quoted, published or displayed change in such rate, all without the necessity of any notice to the Borrower or any other Person; provided that, if the rate determined above shall ever be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

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

“Capital Expenditures” means all expenditures made by a Person required to be capitalized in accordance with GAAP.

“Capital Lease” means a lease that is required to be capitalized in accordance with GAAP.

“Case Funding” means Case Funding Inc., a corporation under the laws of the State of Delaware and its successors and assigns.

“Cash Equivalents” means any of the following: (i) securities issued, guaranteed or insured by the government of Canada or any province, or the United States of America or any state, maturing not more than one year from the date of acquisition thereof, (ii) term deposits, certificates of deposit or overnight bank deposits having maturities of not more than one year from the date of acquisition issued by a Lender or any commercial bank organized under the laws of Canada or the United States or any state thereof having combined capital and surplus of not less than \$500,000,000 (or the Equivalent Amount in any other currency), and (iii) investments in money market funds (as such term is defined in National Instrument 81-102 *Investment Funds*).

“Cash Flows Available for Debt Service” means, for any period, the Borrower’s cash from operations as set out in Exhibit IV to the Compliance Certificate.

“Cash Proceeds of Realization” means the aggregate of (i) all Proceeds of Realization in the form of cash and (ii) all cash proceeds of the sale or disposition of non-cash Proceeds of Realization, in each case expressed in Canadian Dollars.

“CCMI” means Chesswood Capital Management Inc. and its successors and assigns.

“CCMIUS” means Chesswood Capital Management USA Inc. and its successors and assigns.

~~“CDOR Rate” means, for any Drawing Date with respect to any Banker’s Acceptance or Draft, the arithmetic average of the discount rates for bankers’ acceptances with a term equal or comparable to such Bankers’ Acceptances or Drafts that appears on the Reuters Screen CDOR Page (and if such page is~~

~~not available, any successor or similar service as may be selected by the Administrative Agent) at approximately 10:00 a.m. (Toronto time) on such date or, if such date is not a Business Day, on the immediately preceding Business Day, provided that, if such rate is not available, the CDOR Rate shall mean the discount rate quoted by the Administrative Agent at approximately 10:00 a.m. (Toronto time) as the discount rate at which the Administrative Agent would purchase, on such Drawing Date or, if such date is not a Business Day, on the immediately preceding Business Day, banker's acceptances or drafts with a term to maturity equal or comparable to the Banker's Acceptances or Drafts to be acquired; provided that, if the rate determined above shall ever be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.~~

~~"CDOR Scheduled Unavailability Date" has the meaning specified in Section 9.6(1)(c).~~

~~"CDOR Successor Rate" has the meaning specified in Section 9.6(1).~~

"Change in ADA" means the provision for credit losses (per the Borrower's income statement) minus the actual charge-offs, net of recoveries (as disclosed in the finance receivables note to the financial statements of the Borrower).

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption, making, issuance or taking effect of any Applicable Law, (b) any change in any Applicable Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) compliance by any Lender (or, for the purposes of Section 9.1(2), by any lending office of such Lender or by such Lender's holding company, if any) with any request, rule, regulation, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement, provided that notwithstanding anything herein to the contrary (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith or in implementation thereof, and (ii) all requests, rules, regulations, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the Canadian, United States or foreign regulatory authorities, in each case, pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued or implemented.

"Change of Control" means, in respect of any Person, the occurrence of any of the following events: (i) any other Person (or any successor to it continuing from any amalgamation, merger or other reorganization) or group of other Persons acting jointly or in concert (within the meaning of the *Securities Act* (Ontario)) becoming the owner, directly or indirectly, beneficially or of record, of Equity Securities representing more than 50% of the aggregate ordinary voting power represented by the outstanding share capital (including, for greater certainty, any special voting shares which provide ordinary voting power) of such Person, or (ii) any other Person or group of other Persons acting jointly or in concert (within the meaning of the *Securities Act* (Ontario)) acquires Control of such Person; provided, however, that in respect of any Subsidiary, no Change of Control shall occur if the Borrower directly or indirectly Controls such Subsidiary.

"Chesswood/Vault Holdco" means CHW / Vault Holdco Corp. and its successors and assigns.

"Chesswood/Vault Holdco Contribution Agreement" means the contribution and purchase agreement made as of April 7, 2021 between Chesswood Holdings Ltd., the Borrower, the Minority Holdco Shareholders and Chesswood/Vault Holdco, as may be amended, modified, supplemented, restated or replaced from time to time.

"Chesswood/Vault Holdco Shareholder Agreement" means the unanimous shareholders agreement made as of April 30, 2021 between the Borrower, Chesswood Holdings Ltd., the Minority

Holdco Shareholders, Daniel Wittlin and Chesswood/Vault Holdco, as may be amended, modified, supplemented, restated or replaced from time to time.

“Closing Date” means January 14, 2022 or such other date as agreed by the parties hereto.

“Code” means the Internal Revenue Code of 1986 of the United States of America, as amended from time to time.

“Collateral” means any and all Assets in respect of which the Collateral Agent or any Secured Creditor has or will have a Lien pursuant to a Security Document.

“Collateral Agent” means Royal Bank of Canada, in its capacity as collateral agent for the Secured Creditors, and any successor collateral agent appointed pursuant to Section 11.10, and their successors and permitted assigns.

“Commitment” means, at any time, in respect of a Lender, the maximum amount of Accommodations which such Lender has covenanted to make, as set forth in Schedule A (which shall be amended and distributed to all parties by the Administrative Agent from time to time as other Persons become Lenders or to reflect any increase or reduction in Commitments in accordance with the terms hereof), and which for greater certainty shall in each case be reduced by such Lender’s rateable share of the amount of any permanent repayments or reductions required or made hereunder. The Commitments set forth in Schedule A have been divided into “Tranche A Commitments” (being the Commitment of each Lender on January 14, 2022) and “Tranche B Commitments” (being the increased Commitment agreed to by each Lender specified therein on December 13, 2022).

“Compliance Certificate” means a certificate of the Borrower substantially in the form of Schedule 8.1(a)(iii), signed on its behalf by its chief financial officer or any other officer acceptable to the Administrative Agent.

“Conforming Changes” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “U.S. Prime Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 9.7 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is necessary in connection with the administration of this Agreement and the other Credit Documents).

“Consolidated Adjusted EBITDA” means, for any period, Consolidated Net Income,

- (a) increased, to the extent deducted in calculating Consolidated Net Income, by the sum of (without duplication):
 - (i) all income taxes of the Borrower and the Subsidiaries accrued in accordance with GAAP for such period;

- (ii) Consolidated Depreciation Expense;
 - (iii) share-based compensation;
 - (iv) Change in ADA accretion;
 - (v) any non-cash mark-to-market losses related to any Debt or Investment which is an Equity Security and Derivatives Agreements for such period;
 - (vi) any foreign exchange losses;
 - (vii) items classified as extraordinary, unusual or non-recurring losses; provided that the inclusion of any such extraordinary, unusual or non-recurring losses in any period commencing on or after January 1, 2015 in excess of \$500,000 per annum shall have been consented to by the Majority Lenders, acting reasonably;
 - (viii) the amount of contingent consideration accretion or reversal associated with the Blue Chip Acquisition;
 - (ix) the amount of contingent consideration accretion or reversal associated with the Vault Credit Acquisition;
 - (x) the amount of contingent consideration accretion or reversal associated with the Vault Home Acquisition;
 - (xi) the amount of contingent consideration accretion or reversal associated with the Rifco Acquisition; and
 - (xii) the amount of contingent consideration accretion or reversal associated with the Waypoint Acquisition.
- (b) decreased, to the extent included in calculating Consolidated Net Income, by (without duplication):
- (i) Change in ADA reversal;
 - (ii) any non-cash mark-to-market gains related to any Debt or Investment which is an Equity Security and Derivatives Agreements for such period;
 - (iii) any foreign exchange gains; and
 - (iv) items classified as extraordinary, unusual or non-recurring gains; and
- (c) decreased by the actual interest attributable to the period in respect of convertible debentures.

“Consolidated Depreciation Expense” means, for any period, depreciation, amortization (including impairment charge-offs related to intangibles) and other non-cash depreciation/impairment related expenses of the Borrower and the Subsidiaries which reduce Consolidated Net Income for such period, determined on a consolidated basis in accordance with GAAP.

“Consolidated EBIT” means, for any period, Consolidated Net Income,

- (a) increased, to the extent deducted in calculating Consolidated Net Income, by the sum of (without duplication):
 - (i) Consolidated Interest Charges;
 - (ii) all income taxes of the Borrower and the Subsidiaries accrued in accordance with GAAP for such period;
 - (iii) Change in ADA accretion;
 - (iv) any non-cash mark-to-market losses related to any Debt or Investment which is an Equity Security and Derivatives Agreements;
 - (v) impairment associated with the strategic rebranding of the Originators in an amount not to exceed \$10,000,000;
 - (vi) goodwill impairment associated with the Blue Chip Acquisition;
 - (vii) goodwill impairment associated with the Vault Credit Acquisition;
 - (viii) goodwill impairment associated with the Vault Home Acquisition;
 - (ix) goodwill impairment associated with the Rifco Acquisition; and
 - (x) goodwill impairment associated with the Waypoint Acquisition,
- (b) decreased, to the extent included in calculating Consolidated Net Income, by (without duplication):
 - (i) Change in ADA reversal; and
 - (ii) any non-cash mark-to-market gains related to any Debt or Investment which is an Equity Security and Derivatives Agreements.

“Consolidated Indebtedness” means, at any time, the aggregate stated balance sheet amount of all interest bearing Debt and Current Derivatives Exposure of the Borrower and the Subsidiaries determined on a consolidated basis.

“Consolidated Interest Charges” means, for any period, for the Borrower and the Subsidiaries, the sum of (without duplication of amounts added) (i) the aggregate amount of interest expense (including imputed interest with respect to capitalized lease obligations) accrued during such period, (ii) all capitalized interest during such period, (iii) the net amount payable (or less the net amount receivable) by the Borrower and the Subsidiaries under any interest rate swap, cap or collar arrangements or similar arrangements during such period, and (iv) the aggregate of all funding costs relating to the sale of receivables in connection with any asset securitization program or bulk financing program accrued during such period, all on a consolidated basis in accordance with GAAP. For greater certainty, Consolidated Interest Charges does not include non-cash mark-to-market gains or losses related to Debt which is an Equity Security or Derivatives Agreements.

“Consolidated Net Income” means, for any period, the net income (loss) of the Borrower and the Subsidiaries determined on a consolidated basis in accordance with GAAP.

“Consolidated Tangible Net Worth” means, at any time, with respect to the Borrower and the Subsidiaries on a consolidated basis, (i) the total shareholders’ equity (including stated capital or equivalent account in respect of issued and outstanding shares, non-controlling interests relating to Exchangeable Shares, reserve share-based compensation, accumulated other comprehensive income (loss), retained earnings and contributed surplus, but excluding treasury shares and any subscribed but unissued shares) determined as of such time on a consolidated basis in accordance with GAAP, less (ii) the aggregate amount of any advances by the Borrower and the Subsidiaries on a consolidated basis to their securityholders at such time, less (iii) amounts attributable to goodwill, trademarks, trademark rights, trade names, rights, copyrights, patents, patent rights, patent licences, organization expenses, licences, franchises, share issuance and like expenses and other assets which would be treated as intangible assets in accordance with GAAP and less (iv) amounts attributable to the interests of any shareholder (not being the Borrower or a Subsidiary) in any Subsidiary (other than Exchangeable Shares).

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

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

“CORRA Advances” means Adjusted Daily Compounded CORRA and Adjusted Term CORRA Advances.

“Covenant Compliance Date” means the last day of the Financial Quarter in which the Borrower is in compliance with the covenant set forth in Section 8.3(b) (determined without regard to the amendment to Section 8.3(b) effected by the fourth amending agreement made as of June 30, 2023).

“Credit Documents” means this Agreement, the BA Instruments, the Documentary Credits, the Security Documents, and all other documents to be executed and delivered to the Administrative Agent, the Collateral Agent and the Lenders, or any of them, by the Credit Parties, or any of them, from time to time in connection with this Agreement or any other Credit Document and shall include any Derivatives Agreements between a Credit Party and a Swap Counterparty and any cash management agreements between a Credit Party and a Lender.

“Credit Facility” means the revolving credit facility to be made available to the Borrower under this Agreement (including the Swingline Facility) for the purposes specified in Section 2.3.

“Credit Obligations” means all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Credit Parties, or any of them, to the Administrative Agent, the Collateral Agent and the Lenders, or any of them, under, in connection with or pursuant to the Credit Documents, including all Accommodations Outstanding, all accrued interest and Fees and all other amounts payable under this Agreement.

“Credit Parties” means the Borrower and the Guarantors.

“CSA” means a conditional sale agreement between an Originator, as seller and/or secured party, and a Person other than an Originator, as borrower and/or debtor, entered into in the normal course of the Originator’s business (whether originated by the Originator or accepted by the Originator as assignee) pursuant to which (a) Goods are sold to such Person and (b) such Person grants to the Originator a Lien on such Goods to secure such Person’s obligations under the agreement. The term “CSA” (i) includes CSAs (or the relevant portion thereof) maintained, in whole or in part, in electronic

format (whether from the outset or converted from a non-electronic format) and (ii) means and includes, for each CSA, the initial CSA and any amendments thereto.

“Current Derivatives Exposure” means, as of any date of determination, 100% of the aggregate mark-to-market exposure then owing by the Borrower and the Subsidiaries under Derivatives Agreements, as determined by the counterparty to such Derivatives Agreements in its reasonable business judgment, based on net termination values, and calculated as if such Derivatives Agreements were terminated as of such determination date, and furnished to the Administrative Agent on a quarterly basis (or more frequently, in the reasonable discretion of the Administrative Agent).

“Daily Compounded CORRA” means, for any day CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback of five (5) Business Days) being established by the Administrative Agent in accordance with the methodology and conventions for this rate selected or recommended by the Canadian Relevant Governmental Body for determining compounded CORRA for business loans; provided that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published CORRA and a Canadian Benchmark Replacement Date with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

“Daily Compounded CORRA Adjustment” means, with respect to Daily Compounded CORRA, for an Interest Period of a duration of (a) one-month a percentage equal to 0.29547% per annum (29.547 basis points), and (b) a percentage equal to three-months, 0.32138% per annum (32.138 basis points).

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

“Daily Compounded CORRA Advance” means an Advance that bears interest at a rate based on Adjusted Daily Compounded CORRA.

“Debt” of any Person means (without duplication):

- (a) all indebtedness of such Person for borrowed money, including borrowings of commodities, prepaid forward sales of commodities, bankers’ acceptances, letters of credit or letters of guarantee;
- (b) all indebtedness of such Person for the deferred purchase price of Assets or services, other than for Assets and services purchased in the ordinary course of business and paid for in accordance with customary practice and not represented by a note, bond, debenture or other evidence of Debt;
- (c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Assets acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Assets);
- (d) all obligations of such Person represented by a note, bond, debenture or other evidence of Debt;

- (e) all obligations under leases which have been or should be, in accordance with GAAP, recorded as capital leases and all obligations under synthetic leases, in each case, in respect of which such Person is liable as lessee;
- (f) all obligations with respect to any Equity Securities in the capital of the Person which, by their terms (or by the terms of any security into which they are convertible or for which they are exchangeable), or upon the happening of any event (i) mature or are mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) are redeemable for cash or debt at the sole option of the holder, or (iii) provide for scheduled payments of dividends in cash, in each case, on or prior to the final Maturity Date;
- (g) Current Derivatives Exposure; and
- (h) all Debt of another entity of a type described in clauses (a) through (g) which is directly or indirectly guaranteed by such Person, which is secured by a Lien on any Assets of such Person, which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, or in respect of which such Person has otherwise assured a creditor or other entity against loss;

provided that the Debt of any Person (i) shall include the Debt of any other entity (including a partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or relationship with such entity, except (other than in the case of general partner liability) to the extent that the terms of such Debt expressly provide that such Person is not liable therefor, and (ii) shall exclude (A) obligations owing by the Borrower, a Subsidiary or an SPV Subsidiary pursuant to a Permitted Asset Financing Transaction and (B) security deposits related to obligations owing by a Credit Party pursuant to a Permitted Asset Financing Transaction.

"Default" means an event which, with the giving of notice or passage of time, or both, would constitute an Event of Default.

"Defaulting Lender" means any Lender, as determined by the Administrative Agent, that:

- (a) has failed to (i) fund all or any portion of its Accommodation within two Business Days of the date such Accommodation was required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing (and is correct in asserting) that such failure is the result of such Lender's proper determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in writing) has not been satisfied, or (ii) pay to the Administrative Agent or any Lender any other amount required to be paid by it hereunder (including in respect of its participation in Documentary Credits or Swingline Advances) within two Business Days of the date when due;
- (b) has notified the Borrower, the Administrative Agent or any Lender in writing that it does not intend to comply with its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement (unless such writing or public statement relates to such Lender's obligation to fund an Accommodation hereunder and states (and is correct in stating) that such position is based on such Lender's proper determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied);

- (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder;
- (d) has failed to fulfill its obligations (whether as agent, lender or Documentary Credit issuer) under one or more other credit facilities; or
- (e) has or has a direct or indirect parent company that has (i) become or is insolvent or has a direct or indirect parent company that has become or is insolvent, (ii) become the subject of a proceeding under Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors, or (iii) has had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets.

Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (e) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 11.17(g)) upon delivery of written notice of such determination to the Borrower and each Lender.

“Delinquent Receivable” means a Financing Instrument Receivable that is between 31 and 60 days past due.

“Derivatives Agreement” means any agreement relating to a transaction of a type commonly considered to be a derivatives or hedging transaction or any combination of such transactions, in each case, whether relating to one or more of currencies, interest, commodities, securities or other matters, including (i) any option, collar, floor or cap, (ii) any forward contract, and (iii) any rate swap, basis swap, commodity swap, cross-currency swap or other swap or contract for differences.

“Disposition” means, with respect to any Asset of any Person, any direct or indirect sale, lease (where such Person is the lessor and excluding any lease by an Originator pursuant to a Financing Instrument), assignment, cession, transfer, exchange, conveyance, release or gift of such Asset, including by means of a sale and leaseback transaction, or any reorganization, consolidation, amalgamation or merger of such Person pursuant to which such Asset becomes the property of any other Person; and “Dispose” and “Disposed” have meanings correlative thereto.

“Documentary Credit” means a commercial letter of credit, standby letter of credit or letter of guarantee (each of which is a “Type” of Documentary Credit) issued or to be issued by the Issuing Bank for the account of the Borrower pursuant to Article 5.

~~“Draft” means, at any time, either a depository bill within the meaning of the *Depository Bills and Notes Act*, or a bill of exchange within the meaning of the *Bills of Exchange Act* (Canada), drawn by the Borrower on a Lender or any other Person and bearing such distinguishing letters and numbers as the Lender or the Person may determine, but which at such time has not been completed as to the payee or accepted by the Lender or the Person.~~

~~“Drawing” means (i) the creation and purchase of Bankers’ Acceptances by a Lender or by any other Person pursuant to Article 4, or (ii) the purchase of completed Drafts by a Lender or by any other Person pursuant to Article 4.~~

~~“Drawing Date” means any Business Day fixed for a Drawing pursuant to Section 4.3.~~

~~“Drawing Fee” means, with respect to each Bankers’ Acceptance or Draft drawn by the Borrower and purchased by any Person on any Drawing Date, an amount equal to the Applicable Margin,~~

~~multiplied by the product of (i) a fraction, the numerator of which is the number of days, inclusive of the first day and exclusive of the last day, in the term to maturity of such Bankers' Acceptance or Draft, and the denominator of which is 365, and (ii) the aggregate Face Amount of such Bankers' Acceptance or Draft.~~

~~"Drawing Notice" has the meaning specified in Section 4.3(1).~~

~~"Drawing Price" means, in respect of Bankers' Acceptances or Drafts to be purchased by a Lender or any other Person, the difference between (i) the result (rounded to the nearest whole cent, with one half of one cent being rounded up) obtained by dividing the aggregate Face Amount of the Bankers' Acceptances or Drafts by the sum of one plus the product of (x) the Reference Discount Rate expressed as a decimal multiplied by (y) a fraction the numerator of which is the number of days in the term of maturity of the Bankers' Acceptances or Drafts and the denominator of which is 365, and (ii) the aggregate Drawing Fee.~~

"EcoHome" means EcoHome Financial Inc. and its successors and assigns.

"EFA" or "EFAs" means an equipment finance agreement between an Originator, as lender and /or secured party, and a Person other than an Originator, as borrower and /or debtor, entered into in the normal course of the Originator's business (whether originated by the Originator or accepted by the Originator as an assignee), pursuant to which (a) an advance or loan is made by the Originator to such Person to finance the purchase by such Person of Goods, and (b) such Person grants to the Originator a lien or security interest in such Goods to secure such Person's obligations under the agreement (including such Person's obligations to repay such loan or advance over a specified term). The terms "EFA" and "EFAs" (i) include EFAs (or the relevant portion thereof) maintained, in whole or in part, in electronic format (whether from the outset or converted from a non-electronic format) and (ii) mean and include, for each EFA, the initial EFA and all amendments thereto.

"Election Notice" has the meaning specified in Section 3.3(3).

"Electronic Financing Instrument" means any Financing Instrument (or relevant portion thereof) maintained in electronic format from the outset or converted to electronic format from a non-electronic format, and regardless of whether any other portion of such Financing Instrument is or is not itself maintained in electronic format.

"ELFI AcquireCo" means, a wholly owned Subsidiary of the Borrower that will acquire assets from Easy Legal Finance Inc.

"Eligible Assignee" means any Person (other than a natural person, any Defaulting Lender or any subsidiary of a Defaulting Lender, or any Person who, upon becoming a Lender, would constitute a Defaulting Lender), in respect of which any consent that is required by Section 12.6(2) has been obtained.

"Eligible Commercial Financing Instrument Receivables" means all Financing Instrument Receivables of an Originator (other than Financing Instrument Receivables of Rifco and Vault Home) which are represented either by (a) a signed ("wet ink") original of a Financing Instrument (provided that a signed copy of a Financing Instrument is acceptable in lieu of an original where no original exists) or (B) if the Financing Instrument is an Electronic Financing Instrument, such Electronic Financing Instrument constitutes an Acceptable Electronic Financing Instrument, and which are subject to a first priority perfected security interest in favour of the Collateral Agent (for the ratable benefit of the Secured Creditors) pursuant to the Security Documents (reduced by the amount of any refund, rebate, allowance, discount or other concession to the Account Debtor in connection therewith); provided that,

without limiting the Administrative Agent's discretion provided herein, Eligible Commercial Financing Instrument Receivables shall not include any of the following:

- (i) Financing Instrument Receivables with respect to which the Account Debtor is an Affiliate of any Credit Party, or a director, officer, employee or agent of any Credit Party;
- (ii) Financing Instrument Receivables which are subject to dispute, counterclaim or set off;
- (iii) Financing Instrument Receivables from Account Debtors with respect to which the Administrative Agent, in its sole discretion, acting reasonably, determines the financial condition or creditworthiness of such Account Debtor is unacceptable to the Administrative Agent;
- (iv) Financing Instrument Receivables which are 61 or more days past due;
- (v) any Financing Instrument Receivables from Account Debtors that do not maintain their principal place of business in the United States or Canada except to the extent that such Financing Instrument Receivables are supported by an irrevocable letter of credit from a banking institution acceptable to the Administrative Agent in its sole discretion;
- (vi) Financing Instrument Receivables with respect to which the Account Debtor is the United States, Canada or any other government, foreign or domestic (or any department, agency, public corporation or instrumentality thereof) of the United States or Canada, any state or province thereof, or any other country or territory;
- (vii) Financing Instrument Receivables with respect to which the property securing the Financing Instrument Receivable is not located in the United States of America or Canada;
- (viii) Financing Instrument Receivables that are not subject to a first priority perfected security interest (subject to those Permitted Liens which, under Applicable Law or as otherwise agreed to by the Majority Lenders, are to have priority) in favour of the Collateral Agent (for the ratable benefit of the Secured Creditors) or that are subject to a Lien (other than the Permitted Liens referred to above in this clause (viii)) in favour of a Person other than the Collateral Agent, whether or not such Lien is junior to the Lien of the Collateral Agent;
- (ix) Equipment Lease Receivables with respect to which the Collateral Agent (for the ratable benefit of the Secured Creditors) does not have a first priority perfected security interest (subject to those Permitted Liens which, under Applicable Law or as otherwise agreed to by the Majority Lenders, are to have priority) in the Related Equipment relating to such Lease Receivable, or with respect to which any other Person (other than the Collateral Agent) has a Lien (other than the Permitted Liens referred to above in this clause (ix)) in any Related Equipment relating to such Lease Receivable, whether or not such Lien is junior to the Lien of the Administrative Agent; provided, however, that the Originators shall not be required to file any UCC or PPSA financing statements naming an Account Debtor as debtor and/or lessee required above in this definition with respect to any Equipment Lease of Related Equipment that has an Equipment Cost of less than \$15,000 or, in the case of any Equipment Lease of Related Equipment with a

prime Account Debtor of Blue Chip or Vault Credit, an Equipment Cost of less than \$50,000;

- (x) Financing Instrument Receivables with respect to which either (A) any covenant contained in the Security Document applicable to such Financing Instrument Receivables or the related Financing Instrument or Related Equipment has been breached in any material respect and such breach is continuing or (B) any representation contained in the Security Document applicable to such Financing Instrument Receivables or the related Financing Instrument or Related Equipment has been breached in any material respect or is not true in any material respect and such breach or inaccuracy is continuing;
- (xi) Financing Instrument Receivables with respect to a Financing Instrument with an original term in excess of (x) in the case of Financing Instrument Receivables owing by prime Account Debtors, 84 months and (y) otherwise, 72 months;
- (xii) (i) Financing Instrument Receivables (excluding Financing Instrument Receivables described in (ii), (iii) and (iv) below) with respect to a Financing Instrument that provides for the payment of total Financing Instrument Receivables in excess of \$150,000 or Cdn.\$150,000, as applicable, over the term of such Financing Instrument (but only to the extent of such excess); (ii) in the case of Financing Instrument Receivables of Pawnee that are Prime Receivables, Financing Instrument Receivables with respect to a Financing Instrument that provides for the payment of total Financing Instrument Receivables in excess of \$1,000,000 or Cdn.\$1,000,000, as applicable, over the term of such Financing Instrument (but only to the extent of such excess); (iii) in the case of Financing Instrument Receivables of Pawnee that are Near Prime Receivables, Financing Instrument Receivables with respect to a Financing Instrument that provides for the payment of total Financing Instrument Receivables in excess of \$250,000 or Cdn.\$250,000, as applicable, over the term of such Financing Instrument (but only to the extent of such excess) and (iv) in the case of Financing Instrument Receivables of Blue Chip or Vault Credit that are Prime Receivables, Financing Instrument Receivables with respect to a Financing Instrument that provides for the payment of total Financing Instrument Receivables in excess of \$1,000,000 or Cdn.\$1,000,000, as applicable, over the term of such Financing Instrument (but only to the extent of such excess);
- (xiii) Financing Instrument Receivables relating to Financing Instruments generated by any one broker if the amount of such Financing Instrument Receivables, when added to the amount of all Financing Instrument Receivables related to Financing Instruments generated by such broker on behalf of the Originators exceeds 20% of all Financing Instrument Receivables constituting Eligible Commercial Financing Instrument Receivables before taking into account this clause (xiii) (but only to the extent of such excess); and
- (xiv) Financing Instrument Receivables with respect to a Financing Instrument that is for consumer, personal, family, household or agricultural purposes of the Account Debtor thereon (in whole or in part).

In addition to the foregoing, Financing Instrument Receivables of an Originator that have been originated (including through a broker) using the proceeds of a Pre-Funding provided to such Originator for purposes of such origination and subsequent sale under a Permitted Asset

Financing Transaction shall not constitute Eligible Commercial Financing Instrument Receivables hereunder.

“Eligible Modified Receivables” means Modified Receivables that otherwise constitute Eligible Financing Instrument Receivables.

“Eligible Related Equipment” means all Related Equipment of an Originator, excluding: (a) any Related Equipment of an Originator which is not subject to a first priority perfected security interest (subject to those Permitted Liens which, under Applicable Law or as otherwise agreed to by the Majority Lenders, are to have priority) in favour of the Collateral Agent (for the ratable benefit of the Secured Creditors) or which is subject to a Lien (other than the Permitted Liens referred to above in this clause (a)) in favour of a Person (other than the Collateral Agent), whether or not such Lien is junior to the Lien of the Collateral Agent; (b) Related Equipment of an Originator with respect to which any covenant contained in the applicable Security Document and applicable to such Related Equipment or the related Financing Instrument or Financing Instrument Receivable has been breached in any material respect; and (c) Related Equipment relating to all Financing Instruments of the Originators that are generated by any one broker if the Equipment Cost of such Related Equipment, when added to the Equipment Cost of all Related Equipment relating to Financing Instruments of the Originators generated by such broker, exceeds 20% of the aggregate Equipment Cost of all Related Equipment of the Originators constituting Eligible Related Equipment before taking into account this clause (c) (but only to the extent of such excess).

“Eligible Rifco Financing Instrument Receivables” means all Financing Instrument Receivables of Rifco which satisfy the following criteria:

- (i) The Financing Instrument Receivable was originated by Rifco in the ordinary course of business, in accordance with Rifco's Credit and Collections Policy and was properly executed by the parties thereto. The Financing Instrument Receivable contains customary and enforceable provisions adequate for the realization against the Related Equipment, is fully amortizing and provides for level weekly, bi-weekly, semi-monthly or monthly payments, and has not been amended or payments waived;
- (ii) a Financing Instrument Receivable, the related Financing Instrument which (a) complies with all applicable laws, and (b) is in the form of a “loan and security agreement” substantially consistent with a form previously reviewed by the Administrative Agent;
- (iii) the Financing Instrument Receivable is denominated in Canadian dollars and owing by Account Debtors that are located in or a resident of Canada, and are not a government, government subdivision or agency whose assignment is prohibited;
- (iv) the related Account Debtor of the Financing Instrument Receivable is not subject to a current bankruptcy proceeding, other than a consumer proposal that has not been withdrawn, annulled or refused by the Account Debtor's creditors or by a court and where the Account Debtor has reaffirmed, or otherwise agreed, in writing after the commencement of such consumer proposal proceeding and before the related Financing Instrument Receivable has been released in connection therewith that the related Financing Instrument Receivable will be unaffected by any consumer proposal that has been, or may be, made by the Account Debtor;

- (v) the Financing Instrument Receivable has not been satisfied, subordinated or rescinded and the related Financing Instrument has not been released from the lien of the related Financing Instrument Receivable; no terms of any Financing Instrument Receivable have been waived, altered or modified in any respect since origination except as identified in the Financing Instrument Receivables file;
- (vi) a Financing Instrument Receivable, the related Financing Instrument in respect of which, creates a valid, binding and enforceable first priority security interest in favor of Rifco in the Related Equipment;
- (vii) a Financing Instrument Receivable in respect of which all filings or recordings of the Borrower's first priority perfected lien on, or ownership interest in, the Financing Instrument Receivable and the related rights have been made, taken or performed;
- (viii) the Financing Instrument Receivable is not subject to any right of rescission, setoff, counterclaim or defense and no such right has been asserted or threatened with respect to such Financing Instrument Receivable;
- (ix) the Account Debtor under the Financing Instrument Receivable is not in default, breach or violation of any of its terms and no event exists that with notice or lapse of time would constitute a default, breach or violation or event permitting acceleration of the Financing Instrument Receivable (provided, however, that the failure of an Account Debtor to pay a Financing Instrument Receivable when due shall not preclude such Financing Instrument Receivable from being an Eligible Rifco Financing Instrument Receivable until such time as it becomes a Delinquent Receivable), and there has been no waiver of any of the foregoing;
- (x) at the time of origination of the Financing Instrument Receivable by Rifco, the related financed vehicle was required to be covered by a comprehensive and collision insurance policy, naming Rifco as loss payee;
- (xi) the Financing Instrument Receivable is not a Delinquent Receivable or a Financing Instrument Receivable which is 61 or more days past due;
- (xii) the original term of the Financing Instrument Receivable is at least 6 months but not more than 84 months;
- (xiii) the annual percentage rate of the Financing Instrument Receivable was not greater than 25%;
- (xiv) the age of the Related Equipment at contract maturity does not exceed 12 years;
- (xv) the Related Equipment was not in repossessed status;
- (xvi) the original principal balance of the Financing Instrument Receivable was at least \$1,000 but not more than \$50,000;
- (xvii) the Related Equipment securing the Financing Instrument Receivable has a model year that is not more than 10 years old;

- (xviii) no funds have been advanced by Rifco to cause the Financing Instrument Receivable to not be a Delinquent Receivable;
- (xix) a Financing Instrument Receivable in respect of which the loan under the related Financing Instrument has been fully disbursed and there are no requirements for future advances under the related Financing Instrument;
- (xx) the Financing Instrument Receivable is not subject to any payment deferral or abatement program;
- (xxi) Rifco has taken all steps necessary to perfect its security interests against the related Account Debtors in the Related Equipment and will take all necessary steps on behalf of the Secured Parties to maintain the perfection of the security interest created by the Financing Instrument Receivable in the related financed vehicle;
- (xxii) the Financing Instrument Receivable is classified as Tier 0, 1, 2, or 3 credit tier and the Account Debtor thereunder has a FICO score;
- (xxiii) the Account Debtor under the Financing Instrument Receivable is an individual and the Related Equipment is not used for commercial purposes;
- (xxiv) the representations and warranties made by Rifco with respect to the Financing Instrument Receivable are true and correct in all material respects.

In addition to the foregoing, Financing Instrument Receivables of Rifco that have been originated (including through a broker) using the proceeds of a Pre-Funding provided to Rifco for purposes of such origination and subsequent sale under a Permitted Asset Financing Transaction shall not constitute Eligible Rifco Financing Instrument Receivables hereunder.

“Eligible Vault Home Financing Instrument Receivables” means all Financing Instrument Receivables of Vault Home which satisfy the following criteria:

- (i) the Financing Instrument Receivable was originated by Vault Home in the ordinary course of business, in accordance with Vault Home’s credit and collections policy and was properly executed by the parties thereto. The Financing Instrument Receivable contains customary and enforceable provisions adequate for the realization against the Related Equipment, is fully amortizing, and has not been amended or payments waived;
- (ii) a Financing Instrument Receivable, the related Financing Instrument which (a) complies with all applicable laws, and (b) is in the form of a “loan agreement”, “payment plan agreement” or “financing agreement” substantially consistent with a form previously reviewed by the Administrative Agent;
- (iii) the Financing Instrument Receivable is denominated in Canadian dollars and owing by Account Debtors that are located in or a resident of Canada, and are not a government, government subdivision or agency whose assignment is prohibited;
- (iv) the related Account Debtor of the Financing Instrument Receivable is not subject to a current bankruptcy proceeding, other than a consumer proposal that has not been withdrawn, annulled or refused by the Account Debtor’s creditors or by a

court and where the Account Debtor has reaffirmed, or otherwise agreed, in writing after the commencement of such consumer proposal proceeding and before the related Financing Instrument Receivable has been released in connection therewith that the related Financing Instrument Receivable will be unaffected by any consumer proposal that has been, or may be, made by the Account Debtor;

- (v) the Financing Instrument Receivable has not been satisfied, subordinated or rescinded and the related Financing Instrument has not been released from the lien of the related Financing Instrument Receivable; no terms of any Financing Instrument Receivable have been waived, altered or modified in any respect since origination except as identified in the Financing Instrument Receivables file;
- (vi) a Financing Instrument Receivable, the related Financing Instrument in respect of which, creates a valid, binding and enforceable first priority security interest in favor of Vault Home in the Related Equipment, as required by the Vault Home credit and collections policy;
- (vii) a Financing Instrument Receivable in respect of which all filings or recordings of the Borrower's first priority perfected lien on, or ownership interest in, the Financing Instrument Receivable and the related rights have been made, taken or performed, as required by the Vault Home credit and collections policy;
- (viii) the Financing Instrument Receivable is not subject to any right of rescission, setoff, counterclaim or defense and no such right has been asserted or threatened with respect to such Financing Instrument Receivable;
- (ix) the Account Debtor under Financing Instrument Receivable is not in default, breach or violation of any of its terms and no event exists that with notice or lapse of time would constitute a default, breach or violation or event permitting acceleration of the Financing Instrument Receivable (provided, however, that the failure of an Account Debtor to pay a Financing Instrument Receivable when due shall not preclude such Financing Instrument Receivable from being an Eligible Vault Home Financing Instrument Receivable until such time as it becomes 61 or more days past due), and there has been no waiver of any of the foregoing;
- (x) the original term of the Financing Instrument Receivable is not more than 74 months;
- (xi) the annual percentage rate of the Financing Instrument Receivable was not greater than 20%;
- (xii) the original principal balance of the Financing Instrument Receivable was not more than \$75,000;
- (xiii) no funds have been advanced by Vault Home to cause the Financing Instrument Receivable to not be a Delinquent Receivable;
- (xiv) a Financing Instrument Receivable in respect of which the loan under the related Financing Instrument has been fully disbursed and there are no requirements for future advances under the related Financing Instrument;

- (xv) the Financing Instrument Receivable is not subject to any payment deferral (where the payment deferral results from the Account Debtor's inability or failure to meet their obligations under the Vault Home Loan Agreement) or abatement program;
- (xvi) Vault Home has taken all steps necessary to perfect its security interests against the related Account Debtors in the Related Equipment and will take all necessary steps on behalf of the Secured Parties to maintain the perfection of the security interest created by the Financing Instrument Receivable in the Related Equipment, as required by the Vault Home credit and collections policy;
- (xvii) the Financing Instrument Receivable is classified by Vault Home as a "Program A" (prime) or "Program B" (near prime) contract;
- (xviii) the Account Debtor thereunder has a minimum FICO score of 600;
- (xix) the Account Debtor under the Financing Instrument Receivable is an individual and the Related Equipment is not used for commercial purposes; and
- (xx) the representations and warranties made by Vault Home with respect to the Financing Instrument Receivable are true and correct in all material respects.

In addition to the foregoing, Financing Instrument Receivables of Vault Home that have been originated (including through a broker) using the proceeds of a Pre-Funding provided to Vault Home for purposes of such origination and subsequent sale under a Permitted Asset Financing Transaction shall not constitute Eligible Vault Home Financing Instrument Receivables hereunder.

"Employee Plans" means all employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, pension, retirement, savings, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, programmes, arrangements or practices relating to the current or former employees, officers or directors of the Borrower and each Subsidiary maintained, sponsored or funded by the Borrower or any Subsidiary, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered under which the Borrower or any Subsidiary may have any liability contingent or otherwise, other than benefit plans established pursuant to statute.

"Environmental Laws" means all Applicable Laws and agreements with a Governmental Authority relating to public health, the protection of the environment, the release of hazardous materials and occupational health and safety.

"Environmental Liabilities" means, with respect to a Person, all liabilities of such Person imposed by, under or pursuant to Environmental Laws or which relate to the existence of contaminants on, under or about the Subject Properties.

"Equipment Cost" of any Related Equipment means (a) with respect to any Related Equipment under an Equipment Lease or CSA, the actual original purchase cost to the Originator of such Related Equipment, excluding broker commissions and (b) with respect to any Related Equipment under any other Financing Instrument, the portion of the actual original purchase cost to the Account Debtor identified as the "borrower" in the applicable Financing Instrument, excluding broker commissions, that is financed by the Originator pursuant to such Financing Instrument.

“Equipment Lease” or “Equipment Leases” means the transfer of the right of possession and use of goods by an Originator, in the normal course of its business, to an Account Debtor for a term in return for consideration. The terms “Equipment Lease” and “Equipment Leases” (i) include Leases maintained in electronic format and (ii) mean and include, for each Equipment Lease, the initial Equipment Lease and all amendments thereto.

“Equipment Lease Receivable” or “Equipment Lease Receivables” of an Originator means Accounts or other amounts owing to the Originator by an Account Debtor pursuant to any chattel paper (as such term is defined in the PPSA or the UCC, as applicable) constituting an Equipment Lease or other right of the Originator to receive payment for Related Equipment that is subject to an Equipment Lease of the Originator.

“Equity Securities” means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, such Person’s capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing.

“Equivalent Amount” means, in relation to the conversion of one currency into another currency, the spot rate of exchange for such conversion as quoted by the Bank of Canada at approximately 12:00 noon (Toronto, Ontario time) on the Business Day that such conversion is to be made; provided that if such rate is no longer quoted at noon (Toronto, Ontario time), it shall mean the spot rate of exchange for such conversion as quoted by the Bank of Canada at the close of business on the Business Day that such conversion is to be made, and, in either case, if no such rate is quoted, the spot rate of exchange quoted for wholesale transactions by the Administrative Agent in Toronto, Ontario on the Business Day such conversion is to be made in accordance with its normal practice.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with any Credit Party, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the failure to satisfy the minimum funding standards of Sections 412 or 430 of the Code or Sections 302 or 303 of ERISA with respect to any Plan (whether or not waived in accordance with Section 412(c) of the Code or Section 302(c) of ERISA); (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by any Credit Party or any of their ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by any Credit Party or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by any Credit Party or any of their ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; (g) the receipt by any Credit Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Credit Party or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA or is or is expected to be in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (h) failure to make any required contribution to a Multiemployer Plan; or (i) a determination that

any Plan is, or is expected to be in “at risk” status (as defined in Section 430 of the Code or Section 303 of ERISA).

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

“Exchangeable Shares” means shares or limited partnership units in the capital of a Subsidiary which are fully exchangeable for common shares of the Borrower for no additional consideration, including the 1,274,601 Class B shares and the 203,936 Class C shares in the capital of Chesswood US Acquisitionco Ltd.

“Excluded Subsidiary” means (i) any subsidiary of the Borrower which has equal to or less than (x) \$5,000,000 EBITDA (measured on a trailing twelve month basis), (y) \$5,000,000 total assets and (z) \$5,000,000 total shareholders equity; provided that such Excluded Subsidiaries under this clause (i) may not, in aggregate, represent more than (x) \$10,000,000 EBITDA (measured on a trailing twelve month basis), (y) \$10,000,000 total assets or (z) \$10,000,000 total shareholders equity, or (ii) any SPV Subsidiary.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) Taxes imposed on or measured by its net income, and franchise Taxes imposed, by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits Taxes or any similar Tax imposed by any jurisdiction in which the Lender is located or conducts business (other than as a result of entering into, receiving payments under or enforcing its rights under, this Agreement), (c) in the case of a Foreign Lender, any withholding Tax that is attributable to such Foreign Lender’s failure or inability (other than as a result of a Change in Law) to comply with Section 9.2(5), (d) any Taxes imposed under FATCA, (e) any Tax imposed solely as a result of a Lender not dealing at arm’s length (within the meaning of the *Income Tax Act* (Canada)) with the Borrower, and (f) any Taxes imposed solely as a result of the Lender being a “specified shareholder” (within the meaning of the *Income Tax Act* (Canada)) of the Borrower, or not dealing at arm’s length with such “specified shareholder” of the Borrower. For greater certainty, for purposes of clause (c) above, a withholding Tax includes any Tax that a Foreign Lender is required to pay pursuant to Part XIII of the *Income Tax Act* (Canada) or any successor provision thereto.

“Existing Credit Agreement” means the amended and restated credit agreement dated as of November 30, 2016, by and among, *inter alios*, the Collateral Agent, the Administrative Agent, the Borrower, and the other credit parties party thereto and the financial institutions from time to time party thereto as lenders (the “Existing Lenders”) as amended by a first amending agreement dated as of April 13, 2017, by and among, *inter alios*, the Collateral Agent, the Administrative Agent, the Borrower and the Existing Lenders, by a second amending agreement dated as of August 29, 2017, by and among, *inter alios*, the Collateral Agent, the Administrative Agent, the Borrower and the Existing Lenders, by a third amending agreement dated as of December 12, 2017, by and among, *inter alios*, the Collateral Agent, the Administrative Agent, the Borrower and the Existing Lenders, by a fourth amending agreement dated as of May 8, 2018 by and among, *inter alios*, the Collateral Agent, the Administrative Agent, the Borrower and the Existing Lenders, by a fifth amending agreement dated as of June 5, 2019 by and among, *inter alios*, the Collateral Agent, the Administrative Agent, the Borrower and the Existing Lenders, by a sixth amending agreement dated as of September 30, 2019 by and among, *inter alios*, the Collateral Agent, the Administrative Agent, the Borrower and the Existing Lenders, by a seventh amending agreement dated as of June 19, 2020 by and among, *inter alios*, the Collateral Agent, the Administrative Agent, the Borrower and the Existing Lenders, by an eighth amending agreement dated as of September 30, 2020 by and among, *inter alios*, the Collateral Agent, the Administrative Agent, the Borrower and the Existing Lenders, by a ninth amending agreement dated as of November 11, 2020 by and among, *inter alios*, the Collateral Agent, the Administrative Agent, the Borrower and the Existing Lenders, by a tenth amending

agreement dated as of April 30, 2021 by and among, *inter alios*, the Collateral Agent, the Administrative Agent, the Borrower and the Existing Lenders, by an eleventh amending agreement dated as of October 8, 2021 by and among, *inter alios*, the Collateral Agent, the Administrative Agent, the Borrower and the Existing Lenders and by a twelfth amending agreement dated as of December 20, 2021 by and among, *inter alios*, the Collateral Agent, the Administrative Agent, the Borrower and the Existing Lenders.

“Existing Documentary Credits” means each of the Documentary Credits identified on Schedule 5.1.

“Face Amount” means (i) in respect of a BA Instrument, the amount payable to the holder on its maturity, and (ii) in respect of a Documentary Credit, the maximum amount which the Issuing Bank is contingently liable to pay to the Beneficiary.

“Face Value” means, as of the date of determination, the amount of gross unpaid lease receivables or gross unpaid contract receivables as applicable (which for the avoidance of doubt shall exclude any residual value of the Related Equipment) due over the term of an Equipment Lease, CSA, EFA, BC Loan Agreement, Vault Credit Loan Agreement, Rifco Loan Agreement or Vault Home Loan Agreement.

“FATCA” means current section 1471 through 1474 of the *Internal Revenue Code* of 1986, as amended, or any Treasury regulations or other administrative guidance promulgated thereunder.

“Federal Funds Rate” means, for any day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight United States Federal funds transactions with members of the Federal Reserve System arranged by United States Federal funds brokers, as published for the day (or, if the day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day on such transactions received by the Administrative Agent from three United States Federal funds brokers of recognized standing selected by it.

“Fees” means the fees payable by the Borrower under this Agreement.

“Financial Quarter” means a period of three consecutive months in each Financial Year ending on March 31, June 30, September 30 and December 31 of such year.

“Financial Year” means, in relation to the Borrower, its financial year commencing on [January 1](#) of each calendar year and ending on December 31 of such year.

“Financing Instrument” means an EFA, an Equipment Lease, a CSA, a BC Loan Agreement, a Vault Credit Loan Agreement, a Rifco Loan Agreement or a Vault Home Loan Agreement.

“Financing Instrument Receivables” means Accounts or other amounts owing to an Originator by an Account Debtor pursuant to any Financing Instrument or other right of an Originator to receive payment for the equipment which is the subject of the Financing Instrument.

“Fixed Charge Coverage Ratio” means, for any Financial Quarter, the ratio of Consolidated EBIT to the sum of (i) Consolidated Interest Charges and (ii) cash dividends paid on Equity Securities, for the most recent four Financial Quarters ending on the last day of such Financial Quarter.

“Foreign Lender” means any Lender that is not organized under the laws of the jurisdiction in which the Borrower is resident for tax purposes by application of the laws of that jurisdiction and that is not otherwise considered or deemed in respect of any amount payable to it hereunder or under any Credit Document to be resident for income tax or withholding tax purposes in the jurisdiction in which

the Borrower is resident for tax purposes by application of the laws of that jurisdiction. For the purposes of this definition, Canada and each Province and Territory thereof shall be deemed to constitute a single jurisdiction and the United States of America, each state thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Free Cash Flow” means, for any period, Consolidated Adjusted EBITDA,

- (a) increased, to the extent deducted in calculating Consolidated Net Income, by the amount of tax impact from the Change in ADA reversal,
- (b) decreased, to the extent included in calculating Consolidated Net Income, by the sum of (without duplication):
 - (i) the aggregate amount of Maintenance Capital Expenditures made in cash by the Borrower and the Subsidiaries during such period (and with “Maintenance Capital Expenditures” being Capital Expenditures undertaken to sustain current revenues, profits or assets);
 - (ii) all income taxes of the Borrower and the Subsidiaries accrued in accordance with GAAP for such period deducted in calculating Consolidated Net Income; and
 - (iii) the amount of the tax impact from the Change in ADA accretion.

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

“GAAP” means generally accepted accounting principles in effect from time to time in Canada applied in a consistent manner from period to period including the accounting recommendations published in the Handbook of the Canadian Chartered Professional Accountants of Canada - Accounting (which for greater certainty, in respect of any reporting period commencing on or after January 1, 2011, includes Part I – International Financial Reporting Standards).

“Goods” has the meaning set forth in the PPSA or the UCC, as applicable.

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

“Guarantee” of or by any Person (in this definition, the “guarantor”) means (a) any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Debt or other obligation of any other Person (in this definition, the “primary credit party”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof (whether in the form of a loan, advance, stock purchase, capital contribution or otherwise), (ii) to purchase or lease property, securities or services for the purpose of assuring the holder of such Debt or other obligation of the payment thereof, (iii) to maintain working capital, equity capital solvency, or any other balance sheet, income statement or other financial statement condition or liquidity

of the primary credit party so as to enable the primary credit party to pay such Debt or other obligation, (iv) as an account party in respect of any letter of credit or letter of guarantee issued to support such Debt or other obligation, or (v) entered into for the purpose of assuring in any other manner the holder of such Debt or other obligation of the payment or performance thereof or to protect such holder against loss in respect thereof (in whole or in part), or (b) any Lien on any Assets of the guarantor securing any Debt or other obligation of the primary credit party, whether or not such Debt or other obligation is assumed by the guarantor (or any right, contingent or otherwise, of any holder of such Debt or other obligation to obtain any such Lien); provided, however, if such Debt or other obligation has not been assumed, the amount of such Guarantee shall be the lesser of the amount of the Debt or other obligation so secured and the value of the Assets to which a Lien has attached. The term "Guarantee" shall not include endorsements of instruments for deposit or collection in the ordinary course of business.

"Guarantor" means each existing guarantor under the Existing Credit Agreement and each subsequently acquired or established direct and indirect subsidiary of the Borrower (other than any Excluded Subsidiary) including, for greater certainty and without limitation, Pawnee Leasing Corporation, Case Funding, Windset, Chesswood US Acquisitionco Ltd., Chesswood Holdings Ltd., Lease-Win Limited, Blue Chip Leasing Corporation, Tandem Finance Inc., CHW / Vault Holdco Corp., 2750036 Ontario Inc., Vault Credit, Vault Home, CCMI, CCMIUS, Rifco Parent, Rifco and Waypoint.

"Indemnified Taxes" means (a) Taxes other than Excluded Taxes, and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnatee" has the meaning specified in Section 12.5(2).

"Information" has the meaning specified in Section 12.14(2).

"Interest Coverage Ratio" means, for any Financial Quarter, the ratio of Consolidated EBIT to the sum of (i) Consolidated Interest Charges and (ii) the actual interest attributable to the period in respect of convertible debentures, for the period of four Financial Quarters ending on the last day of such Financial Quarter.

"Interest Period" means: (i) in respect of each SOFR Rate Advance, a period of one, three or six months, or, to the extent available from all applicable Lenders, twelve months or such shorter period (in each case, subject to the availability thereof), with respect to such SOFR Rate Advance; and (ii) in respect of each Term CORRA Advance or Daily Compounded CORRA Advance, a period of one or three months or such shorter period as may be agreed to by all of the Lenders (in each case, subject to the market availability thereof), with respect to such Term CORRA Advance or Daily Compounded CORRA Advance; provided that (i) the Interest Period shall commence on the date of an advance of or a conversion to a SOFR Rate Advance, Term CORRA Advance or Daily Compounded CORRA Advance, as applicable, and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the next preceding Interest Period expires; (ii) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided, that if any Interest Period ~~with respect to a SOFR Rate Advance~~ would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day; (iii) any Interest Period ~~with respect to a SOFR Rate Advance~~ that begins on the last Business Day of a calendar month (or on a day for which there is not numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period; (iv) no Interest Period shall extend beyond the Maturity Date; and (v) no tenor that has been removed from this definition pursuant to Section 9.5 or Section 9.7 shall be available for specification in such Borrowing Notice or interest election.

“Intra-Month Lending Limit” means, at any time, (i) prior to June 30, 2024, \$25,000,000; (ii) during the period from June 30, 2024 to September 30, 2024, \$20,000,000; (iii) during the period from September 30, 2024 to December 31, 2024, \$10,000,000; and (iv) thereafter, nil.

“Investment” in any Person means any direct or indirect investment in such Person including (i) any advances, loans or other extensions of credit, Guarantees, indemnities, capital contributions, assumption of debt, or other contingent liabilities in the nature of a Guarantee or indemnity or capital contributions to or in respect of such Person, (ii) any purchase of any Equity Securities, bonds, notes, debentures or other securities of such Person or (iii) the acquisition of all or substantially all the Assets of such Person or of a business carried on by, or a division of, such Person.

“Issue” means an issue of a Documentary Credit by the Issuing Bank pursuant to Article 5.

“Issuing Bank” means [Royal Bank of Canada](#), in its capacity as the issuer of Documentary Credits on the basis that it is “fronting” for other Lenders and not on the basis that it is the attorney or agent of other Lenders to sign Documentary Credits on their behalf, or such other Lender acting in such capacity as the Borrower and such Lender may agree, and its successors and assigns.

“Issue Date” has the meaning specified in Section 5.2(1).

“Issue Notice” has the meaning specified in Section 5.2(1).

“Judicial Order” has the meaning specified in Section 5.8(1).

“Leased Properties” means, collectively, the real properties forming the subject matter of the Real Property Leases.

“Lenders” mean, collectively, the lenders set forth on the signature pages of this Agreement, any Person who may become a Lender under this Agreement in accordance with Section 12.6, and, in the singular, any one of them. For greater certainty, unless the context requires otherwise, references to “Lenders” or a “Lender” shall include the Issuing Bank and the Swingline Lender.

“Lending Limit” has the meaning specified in Section 2.2(1).

“Leverage Ratio” means, at any time, the ratio of Consolidated Indebtedness to Consolidated Tangible Net Worth.

“Lien” means (a) with respect to any Asset, any mortgage, deed of trust, trust or deemed trust, lien, pledge, assignment, hypothecation, encumbrance, charge, security interest, right of detention or seizure or right of distraint, in, on or of such Asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any Asset, (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities, (d) any netting arrangement, deposit arrangement or defeasance arrangement (other than customary netting arrangements in Derivatives Agreements and customary bankers’ liens) and (e) any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

“LTM Fee-Based EBITDA” means, at any time, the portion of Consolidated Adjusted EBITDA (measured on a trailing twelve month basis) which is comprised of “fee-based” non-interest income at such time, including but not limited to operations related to ancillary fees associated with the origination, servicing and collection activities of the Credit Parties’ operators, and origination and management fees earned by the Credit Parties’ off-balance sheet asset management / origination.

“Majority Lenders” means, at any time, Lenders who, taken together, hold at least 66-2/3% of the aggregate Commitments (or the Accommodations Outstanding if the Commitments have been terminated or expired) at that time. The Accommodations Outstanding or Commitments of any Defaulting Lender shall be disregarded in determining Majority Lenders at any time.

“Margined Amount” means, in respect of any Eligible Commercial Financing Instrument Receivable, an amount equal to the portion of such Eligible Commercial Financing Instrument Receivable which is included in the Borrowing Base, such portion being determined by applying the applicable percentage specified in the definition of “Borrowing Base” to the Face Value of such Eligible Commercial Financing Instrument Receivable, the Net Present Value of Eligible Commercial Financing Instrument Receivables or the Equipment Cost of Eligible Related Equipment, as the case may be.

“Material Adverse Effect” means (i) a material adverse effect on the business, operations, results of operations, Assets, liabilities or financial condition of the Borrower and the other Credit Parties taken as a whole, (ii) a material adverse effect on the ability of any of the Credit Parties to perform its obligations under any Credit Document to which it is a party, or (iii) a material adverse effect on the rights and remedies of the Lenders, the Collateral Agent or the Administrative Agent (or any of them) under any Credit Document.

“Material Agreements” means the agreements listed in Schedule 7.1(cc)(vi) and any agreement, contract or similar instrument to which the Borrower or any of the Subsidiaries is a party or to which any of their Assets may be subject for which breach, non-performance, cancellation, termination or failure to renew could reasonably be expected to have a Material Adverse Effect.

“Maturity Date” means [January 14, 2025](#).

“Minority Holdco Shareholders” means 2820217 Ontario Inc. and HB Leasco Holdings Inc. and their respective successors and assigns.

“Minority Vault Home Shareholder” means Fily Inc. and its successors and assigns.

“Modified Receivable” means, at any time, any Financing Instrument Receivable where all or any portion of the remaining originally scheduled payments thereunder at such time are subject to any reduction, delay, deferral or waiver. For the avoidance of doubt, a Financing Instrument Receivable will cease to be a “Modified Receivable” at such time as the monthly payment amount required to be made under such Financing Instrument Receivable is equal to or greater than the original monthly payment amount under such Financing Instrument Receivable.

“Monthly Forecast” means the monthly forecast provided by the Borrower on December 15, 2023 which includes a forecast for each month commencing December 1, 2023 until the Maturity Date, which forecast (i) will specify the revenue and Consolidated EBIT that the Borrower expects to report in its financial statements for each month during such period, and (ii) may not be changed by the Borrower except with the prior written consent of the Majority Lenders.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“NCIB” means a normal course issuer bid by the Borrower in accordance with Applicable Law in relation to its Equity Securities, including, for greater certainty, the Borrower’s common shares or convertible debentures.

“Net Present Value” means, as of any date, the net present value of the stream of payments due over the term of a Lease or an EFA, as applicable, discounted at a rate equal to the sum of (a) the Weighted Average Unhedged Rate plus (b) the Weighted Average Hedged Rate plus (c) 2%. For

purposes of this definition, (i) “Weighted Average Unhedged Rate” as of any date shall mean a rate of interest equal to the Unhedged Percentage on such date multiplied by (x) the Adjusted Term SOFR Rate in effect on such date (as if a SOFR Rate Advance were to be made as of such date) for a one month Interest Period plus (y) the Applicable Margin in effect on such date; (ii) “Unhedged Percentage” as of any date means the ratio of (x) the principal amount of all Accommodations Outstanding on such date minus the Hedged Notional Amount on such date, over (y) the principal amount of all Accommodations Outstanding on such date; (iii) “Weighted Average Hedged Rate” as of any date shall mean a rate of interest equal to the Hedged Percentage on such date multiplied by the Borrower's all-in interest cost (expressed as a percentage) with respect to a principal amount of SOFR Rate Advances equal to the Hedged Notional Amount, taking into account all costs of and benefits to the Borrower under or relating to the Derivatives Agreements relating to such Hedged Notional Amount; (iv) “Hedged Percentage” as of any date means the ratio of (x) the Hedged Notional Amount on such date over (y) the principal amount of all Accommodations Outstanding on such date; and (v) “Hedged Notional Amount” as of any date means the notional principal amount of all Accommodations Outstanding on such date bearing interest at a rate determined by reference to the SOFR Rate that are, on such date, subject to one or more Derivatives Agreements entered into in order to effectively swap or exchange the interest rate thereon from floating rate to fixed rate.

“Net Proceeds” means any one or more of the following:

- (a) with respect to any Disposition of Assets by the Borrower or any of its Subsidiaries, the net amount equal to the aggregate amount received in cash (including any cash received by way of deferred payment pursuant to a note receivable, other non-cash consideration or otherwise, and the release of any amount from an indemnity reserve, escrow or similar fund, but in each case only as and when such cash is so received) in connection with such Disposition, less the sum of (x) reasonable fees (including, without limitation, reasonable accounting, advisory and legal fees), commissions and other out-of-pocket expenses incurred or paid for by the Borrower or the Subsidiary in connection with such Disposition (as evidenced by supporting documentation provided to the Administrative Agent upon request therefore by the Administrative Agent), (y) taxes incurred in connection with such Disposition, whenever payable, and (z) the principal amount of any Debt (other than Debt under the Credit Documents) that is secured by such Asset and that is required to be repaid in connection with such Disposition;
- (b) with respect to the receipt of proceeds (other than proceeds with respect to leased equipment) by the Borrower or any of its Subsidiaries under any insurance policy, the net amount equal to the aggregate amount received in cash in connection with such receipt of insurance proceeds less taxes incurred attributable to such proceeds, whenever payable;
- (c) with respect to any issuance or creation of Debt or Equity Securities of the Borrower or any of the Subsidiaries or of any capital contributions by any Person (other than a Credit Party) in the Borrower or any of the Subsidiaries, the net amount equal to the aggregate amount received in cash in connection with such issuance, creation or capital contribution, less the sum of reasonable fees (including, without limitation, reasonable accounting, advisory and legal fees), commissions and other out-of-pocket expenses incurred or paid for by the Borrower or the Subsidiary in connection with the issuance or creation of such Debt or Equity Securities or capital contribution (as evidenced by supporting documentation provided to the Administrative Agent upon request therefor by the Administrative Agent).

“OFAC” means the U.S. Department of Treasury Office of Foreign Assets Control.

“Original Currency” has the meaning specified in Section 12.7(1).

“Originators” means, collectively, Pawnee, Tandem, Blue Chip, Vault Credit, Rifco and Vault Home, each of which is an “Originator”.

“Other Currency” has the meaning specified in Section 12.7(1).

“Other Taxes” means all present or future stamp or documentary Taxes or any other excise or property Taxes, charges or similar levies arising from any payment made hereunder or under any other Credit Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document, in each case, including any interest, charges, additions to tax or penalties applicable thereto.

“Owned Properties” means, collectively, the real property, including the Buildings and Fixtures thereon, owned by a Credit Party but shall exclude real property Disposed of as permitted in this Agreement as and from the date of such Disposition.

“Participant” has the meaning specified in Section 12.6(4).

“Patriot Act” means the USA Patriot Act (the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“Pawnee” means Pawnee Leasing Corporation, a corporation under the laws of the State of Colorado, and its successors.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Pension Event” means (a) the institution of proceedings by any Governmental Authority to terminate in whole or in part or have a trustee appointed to administer a Pension Plan; (b) any other event or condition which might constitute grounds for the termination of, winding up or partial termination of, or the appointment of a trustee to administer, any Pension Plan; (c) the existence of a going-concern or solvency deficit with respect to any Pension Plan; (d) the failure to remit all contributions to a Pension Plan on or prior to when due; and (e) the existence of a Lien or deemed trust in respect of a Pension Plan.

“Pension Plan” means an Employee Plan that is or is intended to be a “registered pension plan” as such term is defined in the *Income Tax Act* (Canada).

“Permitted Asset Financing Transaction” means (i) a securitization transaction, bulk lease financing transaction or a purchase and sale transaction with a financing purpose (and other similar financing transactions) pursuant to which Securitization Assets are sold, assigned or pledged by a Subsidiary to a third party, including an SPV Subsidiary, in exchange for fair market value consideration provided that the obligations of such Subsidiary to such third party under such transaction are limited in recourse (except for Securitization Repurchase Obligations) to such Securitization Assets, any related security provided by the related Account Debtor and the proceeds thereof and any cash reserve accounts funded out of amounts that would otherwise have been paid or advanced to such Subsidiary on account of such Securitization Assets or (ii) a transaction pursuant to which (A) a third party, including an SPV Subsidiary, provides advance funding (“Pre-Funding”) to a Subsidiary for purposes of originating (including through a broker) Securitization Assets for future sale to such third party (subject to satisfaction of certain eligibility criteria), in exchange for fair market value consideration (which may include the set-off of the Subsidiary’s obligation to repay Pre-Funding against the obligation of the third

party to pay the purchase price for such Securitization Assets) and (B) the amount of Pre-Funding not applied to originate (including through a broker) Securitization Assets that are eligible for sale to such third party may be repaid; provided that the obligations of such Subsidiary to such third party under such transaction are limited in recourse (except for Securitization Repurchase Obligations and except, for the avoidance of doubt, for the Subsidiary's unsecured contractual obligation to repay such Pre-Funding) to such Securitization Assets, any related security provided by the related Account Debtor and the proceeds thereof and any cash reserve accounts funded out of amounts that would otherwise have been paid or advanced to such Subsidiary on account of such Securitization Assets.

"Permitted Disposition" means a Disposition of Assets permitted pursuant to Section 8.2(d).

"Permitted Jurisdiction" means, in respect of any Collateral, any Province or Territory of Canada, or any state of the United States of America, in each case, to the extent that a Lien in such Collateral in favour of the Collateral Agent and the other Secured Creditors has been duly perfected in accordance with the laws of such Province, Territory or State.

"Permitted Liens" means, in respect of any Person, any one or more of the following:

- (a) Liens for Taxes which are not due or delinquent or the validity of which is being contested at the time by the Person in good faith by proper legal proceedings if adequate provision has been made for their payment and such Liens are not executed on or enforced against any of the Assets of any Credit Party;
- (b) Inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of construction, maintenance, repair or operation of Assets of the Person, in each case, (i) that are related to obligations not due or delinquent, (ii) that are not registered against title to any assets of the Person, (iii) either (A) in respect of which adequate holdbacks are being maintained as required by Applicable Law or (B) that are being contested in good faith by appropriate proceedings and in respect of which there has been set aside a reserve (segregated to the extent required by GAAP) in an adequate amount and (iv) that do not reduce the value of the Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person;
- (c) Easements, rights-of-way, servitudes, restrictions and similar rights in real property provided that such easements, rights-of-way, servitudes, restrictions and similar rights do not reduce the value of the affected Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person;
- (d) Title defects or irregularities which are of a minor nature and which do not reduce the value of the Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person;
- (e) Liens resulting from the deposit of cash or securities in connection with bids or tenders in the ordinary course of business, or to secure obligations in the ordinary course of business pursuant to workers' compensation, employment insurance or similar legislation;
- (f) Liens securing appeal bonds and other similar Liens arising in connection with court proceedings (including, without limitation, surety bonds, security for costs of litigation where required by Applicable Law and letters of credit) or any other instruments serving a similar purpose;

- (g) Attachments, judgments and other similar Liens arising in connection with court proceedings; provided, however, that the Liens are in existence for less than 10 days after their creation or the execution or other enforcement of the Liens is effectively stayed or the claims so secured are being actively contested in good faith and by proper legal proceedings;
- (h) The reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein or in any comparable grant in jurisdictions other than Canada, provided they do not reduce the value of the Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person;
- (i) Liens given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operation of the business or the ownership of the Assets of the Person, provided that such Liens do not reduce the value of the Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person;
- (j) Servicing agreements, development agreements, site plan agreements, subdivision agreements and other agreements with Governmental Authorities pertaining to the use or development of any of the Assets of the Person, provided same are complied with and do not reduce the value of the Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person including, without limitation, any obligations to deliver letters of credit and other security as required;
- (k) Applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon, provided such restrictions have been complied with and do not reduce the value of the Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person;
- (l) The right reserved to or vested in any Governmental Authority by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of the Person, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (m) Liens in favour of the Collateral Agent and the other Secured Creditors created by the Security Documents;
- (n) Purchase Money Mortgages securing Debt permitted to be incurred pursuant to Section 8.2(a)(ii);
- (o) Liens granted by a Subsidiary in connection with Permitted Asset Financing Transactions;
- (p) Banker's liens, rights of set-off or similar rights and remedies with respect to funds on deposit with a depository institution, provided that (i) such deposit is not a dedicated cash collateral account, (ii) such deposit is not intended by any Credit Party to provide collateral to the depository institution, and (iii) such deposit does not secure any indebtedness to the depository institution for borrowed money; and
- (q) Liens securing Debt permitted by Section 8.2(a)(iii).

"Person" means an individual, sole proprietorship, corporation, limited liability company, trust, joint venture, association, company, partnership, institution, public benefit corporation, investment or other fund, Governmental Authority or other entity, and pronouns have a similarly extended meaning.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Credit Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"PPSA" means the *Personal Property Security Act* (Ontario).

"Pre-Funding" has the meaning specified in the definition of "Permitted Asset Financing Transaction".

"Proceeds of Realization" means all cash and non-cash proceeds derived from any sale, disposition or other realization of the Collateral (i) after any notice by the Administrative Agent to the Borrower pursuant to Section 10.1 declaring all indebtedness of the Borrower hereunder to be immediately due and payable, (ii) upon any dissolution, liquidation, winding-up, reorganization, bankruptcy, insolvency or receivership of any of the Credit Parties (or any other arrangement or marshalling of the Collateral that is similar thereto) or (iii) upon the enforcement of, or any action taken with respect to, any of the Credit Documents. For greater certainty, prior to the Security becoming enforceable (x) insurance proceeds derived as a result of the loss or destruction of any of the Collateral and (y) cash or non-cash proceeds derived from any expropriation or other condemnation of any of the Collateral shall not constitute Proceeds of Realization.

"Purchase Money Mortgage" means any Lien charging an Asset acquired by the Borrower or a Subsidiary (or leased pursuant to a Capital Lease), which is granted or assumed by the Borrower or a Subsidiary or which arises by operation of law in favour of the transferor concurrently with and for the purpose of the acquisition of such Asset, in each case where (i) the principal amount secured by the Lien is not in excess of the purchase price (after any post-closing adjustment) of the Asset acquired, and (ii) such security interest extends only to the Asset acquired and its proceeds.

"Real Property Leases" means the leases, subleases, rights to occupy and licences of real property or Buildings and Fixtures to which the Borrower or any of the Subsidiaries are a party (i) at the date of this Agreement, as listed and described (including a description of the Leased Property in each case) in Schedule 7.1(i), and (ii) after the date of this Agreement, but shall exclude (iii) leases, rights and licences terminated in accordance with their terms (and not as the result of a default) or assigned or otherwise disposed of after the date of this Agreement as permitted by this Agreement.

~~"Reference Discount Rate" means, for any Drawing Date, in respect of any Bankers' Acceptances or Drafts to be purchased pursuant to Article 4 by (i) a Lender which is a Bank Act (Canada) Schedule I bank, the CDOR Rate; and (ii) any other Lender, the CDOR Rate plus 0.10%. Each determination of the Reference Discount Rate by the Administrative Agent shall be conclusive and binding, absent demonstrated error.~~

"Related Equipment" means, with respect to any Financing Instrument Receivable, Goods (a) which are acquired by a Person other than the Originator with financing provided by the Originator under an EFA, a BC Loan Agreement, Vault Credit Loan Agreement, a Rifco Loan Agreement or a Vault Home Loan Agreement, as applicable, that gives rise to such Financing Instrument Receivable and which are subject to (or intended to be subject to) a Lien in favour of the Originator under such EFA, a BC Loan Agreement, Vault Credit Loan Agreement, Rifco Loan Agreement or a Vault Home Loan Agreement, as applicable, (b) which are sold to an Account Debtor under a CSA that gives rise to such Financing Instrument Receivable and which are subject to (or intended to be subject to) a Lien in favour of the

Originator under such CSA or (c) which are leased to an Account Debtor under an Equipment Lease that gives rise to such Financing Instrument Receivable.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the directors, officers, employees and agents of such Person and of such Person’s Affiliates.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“Restricted Payment” means, with respect to any Person, any payment by such Person (i) of any dividend or other distribution on issued Equity Securities of such Person or any of its subsidiaries, (ii) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any issued Equity Securities of such Person or any of its subsidiaries, or (iii) any payments whether as consulting fees, management fees or otherwise to (A) any Affiliate of such Person, (B) any Person that directly or indirectly owns or controls Equity Securities of such Person carrying more than 10% of the voting rights outstanding at such time, (C) any Affiliate of a Person described in clause (B), (D) any Person that is an officer or director of such Person or of any Affiliate of such Person or of any Person described in clause (B) or clause (C), or (E) any immediate family member of any of the foregoing. For greater certainty, required payments (whether interest, principal or otherwise) on Debt which is an Equity Security is not a Restricted Payment.

“Rifco” means Rifco National Auto Finance Corporation, a wholly owned subsidiary of Rifco Parent, and its successors and assigns.

“Rifco Acquisition” means the acquisition by Chesswood Holdings Ltd. of all of the issued and outstanding shares in the capital of Rifco Parent and Rifco by way of a statutory arrangement under the *Business Corporations Act* (Alberta).

“Rifco Loan Agreement” means an agreement evidencing a Rifco Loan, and includes an agreement (or the relevant portion thereof) evidencing a Rifco Loan maintained, in whole or in part, in electronic format (whether from the outset or converted from a non-electronic format).

“Rifco Loans” means financing loans between Rifco, as lender and/or secured party, and a Person other than Rifco, as borrower and/or debtor, entered into in the normal course of Rifco’s business, pursuant to which (a) an advance or loan is made by Rifco to such Person, and (b) such Person grants to Rifco a lien or security interest in its property and assets to secure such Person’s obligations to Rifco.

“Rifco Parent” means Rifco Inc. and its successors and assigns.

“Sanctions” means sanctions administered or enforced by the US Department of the Treasury’s Office of Foreign Assets Control (OFAC), US Department of State, United Nations Security Council, European Union, Her Majesty’s Treasury, or other relevant sanctions authority.

“Secured Creditors” means the Administrative Agent, the Collateral Agent, the Lenders and any other Persons who are owed Secured Obligations.

“Secured Obligations” means all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Credit Parties, or any of them, to the Secured Creditors, or any of them, under, in connection with or pursuant to the Credit Documents, and Secured Obligations of a particular Credit Party shall mean all debts, liabilities and obligations, present or future, direct or

indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by such Credit Party to the Secured Creditors, or any of them, under, in connection with or pursuant to the Credit Documents to which such Credit Party is a party.

“Securitization Assets” means specified Financing Instrument Receivables and related Assets customarily transferred (or in respect of which security interests are customarily granted) together with Financing Instrument Receivables, including collateral securing Financing Instrument Receivables, contracts and contract rights, guarantees, other obligations, lockbox accounts and records related thereto, in a securitization transaction, bulk lease financing transaction or a purchase and sale transaction with a financing purpose (and other similar limited recourse financing transactions pursuant to which specified assets are being financed).

“Securitization Repurchase Obligation” means any obligation of a seller of Securitization Assets in a Permitted Asset Financing Transaction to repurchase or otherwise make payments with respect to Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“Security” means, at any time, the Liens in favour of the Secured Creditors, or any of them, in the Assets of the Credit Parties securing their obligations under this Agreement and the other Credit Documents.

“Security Documents” means the agreements described as such in Schedule 6.1(d)(iii), the guarantees and security delivered pursuant to Section 8.1(o), and any other security granted to the Secured Creditors, or any of them, as security for the Secured Obligations of the Credit Parties under this Agreement and the other Credit Documents.

“SOFR” means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Solvent” means, (a) with respect to any Person organized under the laws of Canada or any province or territory thereof, on a particular date, that on such date, (i) such Person is not for any reason unable to meet its obligations as they generally become due, (ii) such Person has not ceased paying its current obligations in the ordinary course of business as they generally become due, and (iii) the aggregate property of such Person is, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all its obligations, due and accruing due, and (b) with respect to any Person organized under the laws of a jurisdiction located within the United States on a particular date, that on such date (i) the fair value of the property (including, for this purpose, rights of contribution in respect of obligations for which such Person has provided a guarantee whether or not such rights of contribution are subordinate to any obligations) of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (ii) the present fair saleable value of the assets of such Person (including, for this purpose, rights of contribution in respect of obligations for which such Person has provided a guarantee whether or not such rights of contribution are subordinate to any obligations) is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured,

(iii) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (iv) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital.

"Special Warrant Agreement" means the special warrant agreement dated as of April 30, 2021 between the Borrower and the persons listed on Schedule "A" to such agreement providing for the creation and issue of 1,466,667 special warrants of the Borrower.

"SPV Subsidiary" means a subsidiary of the Borrower that is established, created or acquired in connection with a Permitted Asset Financing Transaction.

"Subject Properties" means collectively, the Owned Properties and the Leased Properties.

"Subordinated Debt" means, with respect to a Person, any Debt of such Person that is subordinated and postponed in right of payment to the Secured Obligations of such Person, as the case may be, pursuant to a written agreement to that effect executed by the holder of such Subordinated Debt; provided, however, that no Debt shall be deemed to be subordinated or postponed in right of payment to any other Debt solely by virtue of being unsecured or secured by a lower priority Lien or by virtue of the fact that the holders of such Debt have entered into intercreditor agreements or other arrangements giving one or more of such holders priority over the other holders in the collateral held by them.

"Subsidiaries" means (i) Pawnee, Case Funding, Windset, Chesswood US Acquisitionco Ltd., Chesswood Holdings Ltd., Lease-Win Limited, Blue Chip, Tandem, Chesswood/Vault Holdco, 275 Ontario Inc., Vault Credit, Vault Home, CCMI, CCMIUS, Rifco Parent, Rifco and Waypoint and (ii) any other subsidiary of the Borrower, excluding any SPV Subsidiary.

"subsidiary" means with respect to any Person (the "parent") at any date, (i) any corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all equity interests entitled to vote in the election of the Board of Directors thereof are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, (ii) any partnership, (x) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (y) the only general partners of which are the parent and/or one or more subsidiaries of the parent and (iii) any other Person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent.

"Sustainability Agent" means Royal Bank of Canada, in its capacity as sustainability agent.

"Sustainability Linked Loan" means a future amendment of the Credit Agreement to incorporate (a) specified key performance indicators with respect to certain environmental, social and governance targets of the Borrower, (b) potential adjustments to the Applicable Margin, (c) other changes to ensure alignment with the Loan Market Association and Loan Syndications and Trading Association's Sustainability Linked Loan Principles (2021), and (d) such other amendments as may be required by the Sustainability Agent in connection with its appointment and performance of such role.

"Swap Counterparty" means a Lender (or an Affiliate of a Lender) that is party to a Derivatives Agreement with a Credit Party.

"Swingline Commitment" means, at any time, an amount equal to the lesser of (i) the Swingline Lender's Commitment minus the Accommodations Outstanding to the Swingline Lender, and (ii) \$7,000,000.

“Swingline Facility” means the revolving credit facility to be made available to the Borrower by the Swingline Lender in accordance with this Agreement.

“Swingline Lender” means Royal Bank of Canada, or such other Lender acting as Swingline Lender as the Borrower and such Lender may agree, and its successors and assigns.

“Tandem” means Tandem Finance Inc., a corporation under the laws of the State of Colorado, and its successors.

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

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

“Term CORRA Adjustment” means, with respect to Term CORRA, for an Interest Period of a duration of (a) one-month a percentage equal to 0.29547% per annum (29.547 basis points), and (b) a percentage equal to three-months, 0.32138% per annum (32.138 basis points).

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

“Term CORRA Advance” means an Advance that bears interest at a rate based on Adjusted Term CORRA other than pursuant to clause (ii) of the definition of “Prime Rate”.

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

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

“Term SOFR” means, for any Interest Period for a SOFR Rate Advance, the greater of (a) the Term SOFR Reference Rate (rounded upward to the nearest fifth decimal place, if necessary) for a tenor comparable to the applicable Interest Period on the day (the “Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator and (b) 0.00%; provided, however, that if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Term SOFR Determination Day

“Term SOFR Adjustment” means, with respect to Term SOFR, 0.11448% for an Interest Period of one-month’s duration, 0.26161% for an Interest Period of three-month’s duration, and 0.42826% for an Interest Period of six-months’ duration.

“Term SOFR Administrator” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

“Term SOFR Determination Day” has the meaning assigned to it under the definition of Term SOFR.

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

“UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York, or in such other jurisdiction the laws of which may be applicable to or in connection with the creation, perfection or priority of any security interest purported to be created under the subject Security Document.

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

[“Unadjusted Canadian Benchmark Replacement” means the applicable Canadian Benchmark Replacement excluding the related Canadian Benchmark Replacement Adjustment](#)

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

“Unmargined Amount” means, at any time, (i) during the period from September 30, 2023 to December 31, 2023, an amount equal to the lesser of (a) \$18,750,000; and (b) two times the LTM Fee-Based EBITDA at such time; (ii) during the period from December 31, 2023 to March 31, 2024, an amount equal to the lesser of (a) \$15,000,000; and (b) two times the LTM Fee-Based EBITDA at such time; and (iii) from and after March 31, 2024, nil.

“Unreimbursed Amount” has the meaning specified in Section 5.4(2).

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“U.S. Prime Rate” means, at any time, the rate of interest per annum equal to the greater of (i) the rate which the principal office of the Administrative Agent in Toronto, Ontario then quotes, publishes and refers to as its “prime rate” and which is its reference rate of interest for loans in U.S. Dollars made in Canada to commercial borrowers, and (ii) the Federal Funds Rate plus 0.50 of 1%, adjusted automatically with each change in such rates all without the necessity of any notice to the Borrower or any other Person; provided that, if the rate determined above shall ever be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Vault Credit” means Vault Credit Corporation and its successors and assigns.

“Vault Credit Acquisition” means the transactions contemplated by the Chesswood/Vault Holdco Contribution Agreement which consist of (i) the incorporation of Chesswood/Vault Holdco by Chesswood Holdings Ltd., (ii) the contribution of Blue Chip to Chesswood/Vault Holdco by Chesswood

Holdings Ltd., (iii) the direct acquisition of 275 Ontario Inc. and the indirect acquisition of Vault Credit by Chesswood/Vault Holdco, (iv) the issuance of a 49% interest in Chesswood/Vault Holdco to the Minority Holdco Shareholders, (v) the issuance of Equity Securities of the Borrower to the Minority Holdco Shareholders and (vi) the execution and delivery of the Chesswood/Vault Holdco Shareholder Agreement and the Special Warrant Agreement by the parties thereto.

“Vault Credit Loan Agreement” means an agreement evidencing a Vault Credit Loan, and includes an agreement (or the relevant portion thereof) evidencing a Vault Credit Loan maintained, in whole or in part, in electronic format (whether from the outset or converted from a non-electronic format).

“Vault Credit Loans” means financing loans between Vault Credit, as lender and/or secured party, and a Person other than Vault Credit, as borrower and/or debtor, entered into in the normal course of Vault Credit’s business, pursuant to which (a) an advance or loan is made by Vault Credit to such Person, and (b) such Person grants to Vault Credit a lien or security interest in its property and assets to secure such Person’s obligations to Vault Credit.

“Vault Home” means Vault Home Credit Corporation and its successors and assigns.

“Vault Home Acquisition” means the transactions contemplated by the Vault Home Contribution Agreement which consist of (i) the direct acquisition of a 51% interest in Vault Home by Chesswood Holdings Ltd., and (ii) the execution and delivery of the Vault Home Shareholder Agreement by the parties thereto.

“Vault Home Contribution Agreement” means the subscription and capital contribution agreement made as of September 14, 2021 between Chesswood Holdings Ltd. and Vault Home, as may be amended, modified, supplemented, restated or replaced from time to time.

“Vault Home Loan Agreement” means an agreement evidencing a Vault Home Loan, and includes an agreement (or the relevant portion thereof) evidencing a Vault Home Loan maintained, in whole or in part, in electronic format (whether from the outset or converted from a non-electronic format).

“Vault Home Loans” means financing loans between Vault Home, as lender and/or secured party, and a Person other than Vault Home, as borrower and/or debtor, entered into in the normal course of Vault Home’s business, pursuant to which (a) an advance or loan is made by Vault Home to such Person, and (b) such Person grants to Vault Home a lien or security interest in its property and assets to secure such Person’s obligations to Vault Home, as required by the Vault Home credit and collections policy.

“Vault Home Shareholder Agreement” means the unanimous shareholders agreement made as of September 14, 2021 between Chesswood Holdings Ltd., the Minority Vault Home Shareholder and Vault Home, as may be amended, modified, supplemented, restated or replaced from time to time.

“Waypoint” means Waypoint Investment Partners Inc. and its successors and assigns.

“Waypoint Acquisition” means the acquisition by Chesswood Holdings Ltd. of all of the issued and outstanding shares in the capital of Waypoint.

“Windset” means Windset Capital Corporation, a corporation under the laws of the State of Delaware and its successors and assigns.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

Section 1.2 Gender and Number.

Any reference in the Credit Documents to gender includes all genders and words importing the singular number only include the plural and vice versa.

Section 1.3 Headings, etc.

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect the interpretation of this Agreement.

Section 1.4 Currency.

All references in the Credit Documents to \$ or dollars, unless otherwise specifically indicated, are expressed in U.S. Dollars.

Section 1.5 Certain Phrases, etc.

In any Credit Document (i) (y) the words “including” and “includes” mean “including (or includes) without limitation” and (z) the phrase “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”, (ii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”, and references to “this Agreement”, “hereof” and “herein” and like references refer to such Credit Document and not to any particular Article, Section or other subdivision of such Credit Document, (iii) the words “to the best knowledge of the Borrower” or similar expressions mean to the knowledge of the chief executive officer or the chief financial officer of the Borrower, after having made reasonable inquiry, and (iv) the words “Subsidiary becoming aware” or similar expressions mean to the knowledge of the chief executive officer, chief financial officer, or other similar officer of such Subsidiary, after having made reasonable inquiry.

Section 1.6 Non-Business Days.

Whenever any payment to be made under any Credit Document shall be stated to be due or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Business Day, such payment shall be made or such action shall be taken on the next succeeding Business Day and, in the case of the payment of any amount, the extension of time shall be included for the purposes of computation of interest, if any, thereon.

Section 1.7 Accounting Terms.

All accounting terms not specifically defined in this Agreement shall be interpreted in accordance with GAAP. If there occurs a material change in GAAP and, as a result, an amount required to be determined hereunder would be materially different (as determined by the Borrower or the Administrative Agent), the Borrower and the Administrative Agent shall negotiate in good faith to revise (if appropriate) the relevant covenants to give effect to the intention of the parties under this Agreement as at the date hereof, and any new covenant shall be subject to approval by the Majority Lenders. Until the successful conclusion of any such negotiation and approval by the Majority Lenders, and/or if the Borrower and the Majority Lenders cannot agree on revisions to the covenants within 30 days following

the implementation of the change, the Borrower shall continue to make all calculations for the purpose of determining compliance with the financial covenants contained herein under GAAP before giving effect to such change; provided that the Borrower shall provide to the Administrative Agent and the Lenders a reconciliation between calculations made before and after giving effect to such change.

Section 1.8 Rateable Portion of Accommodations.

References in this Agreement to a Lender's rateable portion of Advances, ~~Drawings, Drafts, Banker's Acceptances~~ and Documentary Credits or rateable share of payments of principal, interest, Fees or any other amount, shall mean and refer to a rateable portion or share as nearly as may be rateable in the circumstances, as determined in good faith by the Administrative Agent. Each such determination by the Administrative Agent shall be *prima facie* evidence of such rateable share.

Section 1.9 Incorporation of Schedules.

The schedules attached to this Agreement shall form an integral part of it.

Section 1.10 Conflict.

The provisions of this Agreement prevail in the event of any conflict or inconsistency between its provisions and the provisions of any of the other Credit Documents.

Section 1.11 Certificates.

Any certificate required by the terms of this Agreement or any Credit Document to be given by an officer of the Borrower for and on behalf of the Borrower or any Subsidiary shall be given without any personal liability on the part of the officer giving the certificate.

Section 1.12 Permitted Liens.

Any reference in this Agreement or any of the other Credit Documents to a Permitted Lien or a Lien permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien created by any of the Credit Documents to any Permitted Lien or any Lien permitted hereunder.

Section 1.13 References to Agreements.

Except as otherwise provided in this Agreement, any reference in this Agreement to any agreement or document means such agreement or document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented in accordance herewith and therewith.

Section 1.14 Statutes.

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended, re-enacted or replaced.

Section 1.15 Currency Equivalents Generally.

Any amount specified in Article 7, Article 8 or Article 10 to be in (i) Canadian Dollars shall also include the Equivalent Amount of such amount in any currency other than Canadian Dollars, and (ii) U.S. Dollars shall also include the Equivalent Amount of such amount in any currency other than U.S. Dollars.

For purposes of determining compliance with Section 8.2 with respect to any transaction in a currency other than Canadian Dollars or U.S. Dollars, as applicable, no Default shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such transaction occurs but, for the avoidance of doubt, the foregoing provisions of this Section 1.15 shall otherwise apply to Section 8.2.

Section 1.16 Interpretation Clause (Québec)

For purposes of any assets, liabilities or entities located in the Province of Québec and for all other purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of the Province of Québec or a court or tribunal exercising jurisdiction in the Province of Québec, (a) “personal property” shall be deemed to include “movable property”, (b) “real property” shall be deemed to include “immovable property”, (c) “tangible property” shall be deemed to include “corporeal property”, (d) “intangible property” shall be deemed to include “incorporeal property”, (e) “security interest”, “mortgage” and “lien” shall be deemed to include a “hypothec”, “prior claim” and a resolutive clause, (f) all references to filing, registering or recording under the PPSA or UCC shall be deemed to include publication under the Civil Code of Québec, (g) all references to “perfection” of or “perfected” liens or security interest shall be deemed to include a reference to an “opposable” or “set up” lien or security interest as against third parties, (h) any “right of offset”, “right of setoff” or similar expression shall be deemed to include a “right of compensation”, (i) “goods” shall be deemed to include “corporeal movable property” other than chattel paper, documents of title, instruments, money and securities, (j) an “agent” shall be deemed to include a “mandatary”, (k) “construction liens” shall be deemed to include “legal hypothecs”; (l) “joint and several” shall be deemed to include solidary; (m) “gross negligence or wilful misconduct” shall be deemed to be “intentional or gross fault”; (n) “beneficial ownership” shall be deemed to include “ownership on behalf of another as mandatary”; (o) “servitude” shall be deemed to include easement; (p) “priority” shall be deemed to include “prior claim”; (q) “survey” shall be deemed to include “certificate of location and plan”; and (r) “fee simple title” shall be deemed to include “absolute ownership”. The parties hereto confirm that it is their wish that this Agreement and any other document executed in connection with the transactions contemplated herein be drawn up in the English language only and that all other documents contemplated thereunder or relating thereto, including notices, may also be drawn up in the English language only. Les parties aux présentes confirment que c'est leur volonté que cette convention et les autres documents de crédit soient rédigés en langue anglaise seulement et que tous les documents, y compris tous avis, envisagés par cette convention et les autres documents peuvent être rédigés en la langue anglaise seulement.

Section 1.17 Interest Rates; Benchmark Notification.

The interest rate on an Advance denominated in U.S. Dollars may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 9.7 provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, the administration of, submission of, calculation of, performance of or any other matter related to any interest rate used in this Agreement (including, without limitation, the U.S. Prime Rate, SOFR, Term SOFR or the Adjusted Term SOFR Rate) or any component definition thereof or rates referred to in the definition thereof, or with respect to any alternative or successor rate thereto, or replacement rate thereof (including any Benchmark Replacement), including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, or have the same value or economic equivalence of as the existing interest rate (or any component thereof) being replaced or have the same volume or liquidity as did any existing interest rate (or any component thereof) prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate (or component thereof) used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in

each case, in a manner adverse to the Borrowers. The Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrowers, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.18 Canadian Interest Rates.

The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Canadian Prime Rate, Term CORRA, Daily Compounded CORRA, Adjusted Term CORRA, Adjusted Daily Compounded CORRA or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Canadian Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Canadian Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Canadian Prime Rate, Term CORRA, Daily Compounded CORRA, Adjusted Term CORRA, Adjusted Daily Compounded CORRA, or any other Canadian Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Canadian Benchmark Replacement Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Canadian Prime Rate, Term CORRA, Daily Compounded CORRA, Adjusted Term CORRA, Adjusted Daily Compounded CORRA, any alternative, successor or replacement rate (including any Canadian Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Canadian Prime Rate, Term CORRA, Daily Compounded CORRA, Adjusted Term CORRA, Adjusted Daily Compounded CORRA, or any other Canadian Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.19 ~~Section 1.18~~ Amendment and Restatement.

- (1) This Agreement amends and restates the Existing Credit Agreement as of and from the date of this Agreement and is not intended by the parties to, and shall not, subject to Section 1.18(2), constitute, a discharge, satisfaction or novation of any obligation, of the Borrower to the Agents or the Lenders under the Existing Credit Agreement, or any security interest or hypothec granted in connection therewith, until paid, performed, discharged or satisfied in full in accordance with the provisions of this Agreement. The Borrower hereby confirms to and agrees with the Lenders that its obligations under the Existing Credit Agreement shall continue in full force and effect in accordance with their respective terms (amended and restated, as applicable, by this Agreement).
- (2) On the date of this Agreement, Bank of Montreal, National Bank of Canada and PNC Bank, National Association (formerly BBVA USA) (the "Exiting Lenders") will cease to be Lenders upon payment of all Accommodations Outstanding and any accrued and unpaid interest thereon. Upon such payment the Exiting Lenders will cease to be Lenders under this Agreement and shall have no other rights (except those that are expressly stated to survive the repayment of Accommodations Outstanding) or obligations under this Agreement. Huntington Bank, M&T Bank and Canadian Imperial Bank of Commerce, by their execution of this Agreement, have

agreed to become Lenders under this Agreement and shall have all the rights and obligations of a Lender hereunder.

ARTICLE 2 CREDIT FACILITIES

Section 2.1 Availability.

- (1) Each Lender severally agrees, on the terms and conditions of this Agreement, to make Accommodations rateably to the Borrower in accordance with its Commitment. Accommodations shall be made available as (i) Advances pursuant to Article 3, and (ii) ~~Bankers' Acceptances pursuant to Article 4, and (iii)~~ Documentary Credits pursuant to Article 5.
- (2) The Swingline Lender agrees, on the terms and conditions of this Agreement, to make Accommodations to the Borrower in accordance with its Swingline Commitment. Accommodations will be made available as Advances pursuant to Article 3.

Section 2.2 Commitments and Facility Limits.

- (1) The Accommodations Outstanding to all Lenders under the Credit Facility shall not on any day exceed the lesser of (i) the aggregate Commitments, and (ii) if such day is (x) any day other than the last calendar day of the month, the Borrowing Base plus the sum of (A) the Intra-Month Lending Limit at such time and (B) the Unmargined Amount at such time, or (y) the last calendar day of the month, the Borrowing Base plus the Unmargined Amount at such time (the "Lending Limit"). The Accommodations Outstanding to the Swingline Lender shall not at any time exceed the Swingline Commitment.
- (2) The Credit Facility shall revolve and no payment under the Credit Facility shall reduce the Commitments.
- (3) The Borrowing Base shall be calculated based on the most recently delivered Borrowing Base Certificate, except that if the Borrower shall fail to deliver a Borrowing Base Certificate when required pursuant to Section 8.1(b), the Lenders shall have no obligation to provide further Accommodations until a new Borrowing Base Certificate is provided to the Administrative Agent.
- (4) A conversion from one Type of Accommodation or Advance to another Type of Accommodation or Advance shall not constitute a repayment or prepayment.
- (5) Accommodations requested by the Borrower from time to time shall be satisfied rateably by the Lenders that have a Tranche A Commitment in accordance with their Tranche A Commitment until such time as the Accommodations Outstanding are equal to the aggregate Tranche A Commitments in effect at such time. Any request by the Borrower for an Accommodation which will result in Accommodations Outstanding in excess of the aggregate Tranche A Commitments in effect at such time shall to the extent of such excess be satisfied rateably by the Lenders that have a Tranche B Commitment.

Section 2.3 Extension Period.

- (1) The Commitment of each Lender under the Credit Facility will expire on the Maturity Date unless extended by the Borrower for a further term of 365 days (the "Extension Period") in accordance with this Section 2.3. Provided no Event of Default or Default has occurred and is continuing, the Borrower will deliver to the Administrative Agent, at least 60 but not more than

90 days in advance of the Maturity Date, a notice in which the Borrower notifies each Lender of the extension of its respective Commitment for the Extension Period after the then-current Maturity Date (the "Current Maturity Date"). Within two Business Days of the date that such notice is received by the Administrative Agent from the Borrower, the Administrative Agent will deliver a copy thereof to each Lender. Each such Lender shall provide notice to the Administrative Agent not more than 30 days after receipt of such notice from the Administrative Agent either (i) to authorize and direct the Administrative Agent to make an irrevocable offer to the Borrower (which may be accepted with effect on the Current Maturity Date) to extend its Commitment for the Extension Period, with effect from the Current Maturity Date, or (ii) to advise the Administrative Agent that it declines to approve the requested Extension Period, provided that, if any Lender fails to respond to the notice, such Lender shall be deemed to have refused to extend the Current Maturity Date. If all the Lenders approve the requested Extension Period, the Credit Facility will be extended for the Extension Period from the Current Maturity Date.

- (2) If the Majority Lenders approve the requested extension as set out in Section 2.3(1), the Borrower may elect to either:
 - (a) arrange for the assignment, pursuant to Section 12.6 of this Agreement, of the Accommodations Outstanding and obligations owing to any Lender that has not approved the requested extension (a "Dissenting Lender") to one or more Lenders that have approved such request (a "Consenting Lender") and each of whom has agreed to accept an assignment of such Accommodations Outstanding and obligations or a new Lender (such Consenting Lender or new Lender, the "Assignee Lender") and the assumption by the Assignee Lender of the Dissenting Lender's Commitment, such assumption to be effected by the Assignee Lender and Dissenting Lender entering into a Lender Assignment and Assumption on or before the Current Maturity Date;
 - (b) repay the Dissenting Lenders, whose Accommodations Outstanding and obligations are not assigned in accordance with (a) above, their pro rata share of Accommodations Outstanding and obligations under the Credit Facility, cancel their respective Commitments under the Credit Facility and continue the Credit Facility with the aggregate Commitments permanently reduced by the aggregate amount of such repayments; or
 - (c) do a combination of: (a) and (b) such that no Dissenting Lender has an outstanding Commitment after the Current Maturity Date, in which case the then Current Maturity Date as it relates to the Consenting Lenders and Assignee Lenders will be extended for the Extension Period from the first day following the then Current Maturity Date.
- (3) If Lenders having, in aggregate, Commitments of less than 66 % of the aggregate Commitments approve the requested extension, or if no request for an extension of the Current Maturity Date is received, the Credit Facility will terminate on the Current Maturity Date.
- (4) A Dissenting Lender will remain committed to make Accommodations under the Credit Facility until the earlier of (i) the date on which the Accommodations Outstanding and obligations owing to it and its Commitment are assigned as aforesaid, and (ii) the Current Maturity Date previously agreed to by the Dissenting Lender. For greater certainty any amendments relating to the Credit Facility made pursuant to the provisions of Section 2.3(1) shall not take effect until such time as all Dissenting Lenders have been repaid all amounts owing to them in respect of the Credit Facility pursuant to Section 2.3(1) above.

Section 2.4 Use of Proceeds.

The Borrower shall use the proceeds of Accommodations under the Credit Facility for financing (i) the Credit Parties' operations and (ii) working capital and other general corporate purposes of the Credit Parties, including dividend payments and Capital Expenditures not prohibited by this Agreement.

Section 2.5 Mandatory Repayments and Reductions of Commitments.

The Borrower shall repay (subject to Section 10.1) the Accommodations Outstanding, together with all accrued interest and Fees and all other amounts payable in connection with the Credit Facility on the Maturity Date.

Section 2.6 Mandatory Prepayments.

- (1) Within five Business Days after receipt by the Borrower or any of the Subsidiaries of Net Proceeds from any Disposition of Assets other than a Permitted Disposition, the Borrower shall prepay Accommodations Outstanding, rateably, in an aggregate amount equal to the lesser of (i) the amount of such Net Proceeds, and (ii) the Accommodations Outstanding at such time.
- (2) Within two Business Days after receipt by any Subsidiary of Net Proceeds from any Permitted Asset Financing Transaction, the Borrower shall prepay Accommodations Outstanding, rateably, in an aggregate amount equal to the lesser of (i) the amount of such Net Proceeds, and (ii) the Accommodations Outstanding at such time. For the avoidance of doubt, Pre-Funding obtained by a Subsidiary in connection with a Permitted Asset Financing Transaction shall not constitute "Net Proceeds" for purposes of this Section 2.6(2).
- (3) Within five Business Days after receipt by the Borrower or any of the Subsidiaries of Net Proceeds of property insurance in respect of any Collateral, prepay, or, to the extent the Administrative Agent is loss payee under any insurance policy, irrevocably direct the Administrative Agent to prepay, Accommodations Outstanding, rateably, in an aggregate amount equal to the lesser of (i) the amount of such Net Proceeds, and (ii) the Accommodations Outstanding at such time.
- (4) Within five Business Days after receipt by the Borrower or any of the Subsidiaries of Net Proceeds from any issuance of Equity Securities of the Borrower or any of the Subsidiaries or of any capital contributions by any Person in the Borrower or any of the Subsidiaries (other than the Net Proceeds of (i) any Equity Securities or capital contributions applied to Capital Expenditures permitted pursuant to Section 8.2(m) or to acquisitions consented to by the Majority Lenders, and any related expenses, or (ii) any Equity Securities issued to a Credit Party or any capital contributions received from a Credit Party), the Borrower shall prepay Accommodations Outstanding, rateably, in an aggregate amount equal to the lesser of (i) the amount of such Net Proceeds, and (ii) the Accommodations Outstanding at such time.
- (5) Within five Business Days after receipt by the Borrower or any of the Subsidiaries of Net Proceeds of any Debt other than Debt permitted pursuant to Section 8.2(a) (and for greater certainty, this Section 2.6(5) shall not constitute approval for the incurrence of such Debt) (other than the Net Proceeds of (i) any Debt applied to Capital Expenditures permitted pursuant to Section 8.2(m) or to acquisitions consented to by the Majority Lenders, and any related expenses, or (ii) any Debt issued to a Credit Party or any capital contributions received from a Credit Party), the Borrower shall prepay Accommodations Outstanding, rateably, in an aggregate amount equal to the lesser of (i) the amount of such Net Proceeds, and (ii) the Accommodations Outstanding at such time.

- (6) If, on any day, the Accommodations Outstanding to (i) a Lender exceed the Lender's rateable portion of the Lending Limit (based on the most recently delivered Borrowing Base Certificate and the Equivalent Amount in U.S. Dollars of the Accommodations Outstanding to such Lender in Canadian Dollars on that day), or (ii) the Swingline Lender exceed its Swingline Commitment, the Borrower shall, subject to Section 2.6(7), on that day (A) prepay Borrowings, or (B) pay such amount to the Administrative Agent and irrevocably authorize and direct the Administrative Agent to apply such payment to SOFR Rate Advances or as a repayment of the Borrower's reimbursement obligation in respect of any ~~Drawings or~~ Issues on the next maturity date; such that the Accommodations Outstanding, after giving effect to the payment, do not exceed the Lender's rateable portion of the Lending Limit or the Swingline Lender's Swingline Commitment.
- (7) If, on the last day of any calendar month, the Accommodations Outstanding are in excess of the Lending Limit on such day in an amount not greater than the Intra-Month Lending Limit in effect on such day, then the Borrower shall, within 7 Business Days, either (i) prepay Borrowings such that the Accommodations Outstanding, after giving effect to the payment, do not exceed the Lending Limit as in effect on such last day of the immediately preceding calendar month, or (ii) deliver a revised Borrowing Base Certificate that will demonstrate that the Accommodations Outstanding, on the day of delivery thereof, do not exceed the Lending Limit as in effect on such last day of the immediately preceding calendar month. Failure to satisfy either Section 2.6(7)(i) or (ii) within such 7 Business Day period shall constitute a failure to pay Accommodations Outstanding when due under Section 10.1(a).

If, on the last day of any calendar month, the Accommodations Outstanding are in excess of the Lending Limit on such day in an amount in excess of the Intra-Month Lending Limit in effect on such day an amount equal to such excess shall be repaid on such day.

Section 2.7 Optional Prepayments; Termination and Reductions or Increases of Commitments.

- (1) The Borrower may, subject to the provisions of this Agreement, (i) prepay without penalty or bonus Accommodations Outstanding under the Credit Facilities or (ii) reduce the Commitments, rateably, in whole or in part, upon 1 Business Days' notice to the Administrative Agent, by delivery of a notice to the Administrative Agent stating the type, proposed date and aggregate principal amount of any prepayment of Accommodations Outstanding or reduction of the Commitments. The Borrower shall, on the specified date, pay to the Lenders the amount of the proposed prepayment or the amount, if any, by which the Accommodations Outstanding exceed the proposed reduced Commitments, as the case may be (in each case, together with any accrued interest on such amount). Each partial prepayment or reduction shall be in an aggregate principal amount of Cdn. \$1,000,000 or an integral multiple of such amount in the case of Accommodations and Commitments denominated in Canadian Dollars, and in an aggregate principal amount of \$1,000,000 or in an integral multiple of such amount in the case of Accommodations or Commitments denominated in U.S. Dollars. The Borrower shall prepay ~~(i)~~ a SOFR Rate Advance, a Term CORRA Advance or a Daily Compounded CORRA Advance only on the last day of the Interest Period applicable to it (except that a prepayment may be made prior to such last day so long as any breakage costs incurred by the Lenders are paid by the Borrower); ~~and (ii) the amount of any Drawing only on the maturity date for the relevant BA Instrument.~~ To the extent the Borrower terminates the Commitments pursuant to this Section 2.7, the Borrower shall repay all Credit Obligations and return for cancellation all outstanding Documentary Credits (unless cash collateralized).
- (2) The Borrower may, at any time and from time to time prior to the Maturity Date, increase the aggregate Commitments under the Credit Facility (through one or more requested increases) by an aggregate of up to an additional \$100,000,000 (with a minimum amount per increase of \$10,000,000) such that the maximum amount of the aggregate Commitments hereunder would be

no more than \$400,000,000 by securing increased Commitments from one or more Lenders already party to this Agreement or by the addition of one or more Persons not already a party to this Agreement (collectively, the "Additional Lenders"). Any such increase in the aggregate Commitments shall be subject to the following conditions:

- (a) the Borrower shall deliver to the Administrative Agent a certificate of an officer certifying that no Default or Event of Default has occurred and is continuing or will occur by the Borrower increasing the aggregate Commitments hereunder;
- (b) the Administrative Agent, acting reasonably, shall have consented to the increase and to any Additional Lender;
- (c) the Borrower shall cause to be delivered to the Administrative Agent an instrument in writing from each Additional Lender who is agreeing to such increased Commitments, either confirming their increased Commitments, in the case of an Additional Lender who is already a Lender hereunder, or agreeing to be bound by the terms of this Agreement as Lenders pursuant to a Joinder Agreement, in the case of each Additional Lender which is not at the time a Lender hereunder; and
- (d) the Borrower shall have delivered to the Administrative Agent (i) a certificate confirming, *inter alia*, the due authorization by the Borrower of such increase, (ii) a legal opinion of counsel to the Borrower and the Guarantors in form and substance satisfactory to the Administrative Agent, and (iii) such other documents as the Administrative Agent may reasonably require in order to give effect to the increase.

Upon its confirmation of the satisfaction of the foregoing conditions, the Administrative Agent will forthwith prepare and deliver to all parties a new Schedule A, setting forth the new Commitments of the Lenders under the Credit Facility, as so increased. Such new Schedule A, and the revised Commitments of the Lenders set forth therein, will become effective the next Business Day following delivery by the Administrative Agent thereof to the Borrower and the Lenders.

Section 2.8 Changes to Applicable Margins.

Provided no Default or Event of Default has occurred and is continuing, the changes in the margins contemplated in the definition of Applicable Margin shall be effective on the third Business Day after each Compliance Certificate contemplated under Section 8.1(a) is delivered. The adjusted Applicable Margin shall apply in respect of (i) Advances, from and after such date, and ~~(ii) Drawings, to Drawings made from and after such date (and shall not affect the Applicable Margin in respect of any outstanding Drawing), and (iii)~~ Documentary Credits, to Documentary Credit Fees calculated from and after such date. In the event that the Borrower has not delivered a Compliance Certificate in respect of any Financial Quarter as required pursuant to Section 8.1(a), each of the Applicable Margins shall be based on Pricing Level II as determined in accordance with the definition of Applicable Margin until three Business Days following the delivery of such Compliance Certificate.

Section 2.9 Commitment Fee.

Subject to Section 11.17, the Borrower shall pay to the Administrative Agent for the account of (i) the Lenders with a Tranche A Commitment, a standby commitment fee calculated at the rate per annum equal to the Applicable Margin on the difference between the aggregate Tranche A Commitments and the Accommodations Outstanding under the Tranche A Commitments, and (ii) the Lenders with a Tranche B Commitment, a standby commitment fee calculated at the rate per annum equal to the Applicable Margin on the difference between the aggregate Tranche B Commitments and the Accommodations Outstanding

under the Tranche B Commitments, in each case, calculated daily and payable in U.S. Dollars quarterly in arrears on the first Business Day following the end of each Financial Quarter and on the Maturity Date. Such fee shall be distributed to the applicable Lenders (other than any Defaulting Lenders) on a rateable basis based on the proportion that each Lender's unused Tranche A Commitment or Tranche B Commitment bears to the aggregate unused Tranche A Commitments or Tranche B Commitments, as applicable (disregarding the Commitment of any Defaulting Lenders).

Section 2.10 Payments under this Agreement.

- (1) All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or set-off. Unless otherwise expressly provided in this Agreement, the Borrower shall (i) make any payment required to be made by it to the Administrative Agent or a Lender by depositing the amount of the payment to the relevant Borrower's Account not later than noon (Toronto time) on the date the payment is due or the following Business Day if such date is not a Business Day, and (ii) with respect to any prepayment, provide to the Administrative Agent, upon the number of Business Days' notice to the Administrative Agent specified in Schedule 2.6, a notice of prepayment which shall be irrevocable and binding on the Borrower and shall specify (x) the date of repayment, and (y) the Type and amount of Accommodation to be repaid. The Borrower shall make each repayment or prepayment in the currency in which the Accommodation was originally made or into which it has subsequently been converted. The Administrative Agent shall distribute to each Lender, promptly upon receipt by the Administrative Agent of any payment, an amount equal to the amount then due each Lender.
- (2) Unless otherwise expressly provided in this Agreement, each Lender shall make its rateable portion of Accommodations available on the proposed date thereof by wire transfer of immediately available funds by noon (Toronto time) on such date to the account most recently specified by the Administrative Agent for such purpose, and the Administrative Agent shall promptly credit the relevant Borrower's Account (or cause the Borrower's Account to be credited) with all funds so received.
- (3) The Borrower authorizes each Lender, if and to the extent payment owed to such Lender by the Borrower is not made to the Administrative Agent when due, to charge from time to time any due amount against any or all of the Borrower's accounts with the Lender.

Section 2.11 Application of Payments and Prepayments.

If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all Credit Obligations then due then such funds shall be applied rateably according to the proportion that the Secured Obligations owing to such Secured Creditor at such time bear to the Secured Obligations owing to all Secured Creditors at such time (i) first, in reduction of the Borrower's obligation to pay any unpaid interest and any Fees which are due and owing, (ii) second, in reduction of the Borrower's obligation to pay any expenses, claims or losses referred to in Section 12.5, and (iii) third, in reduction of the Borrower's obligation to pay any amounts due and owing on account of any unpaid principal amount of Advances, any other unpaid Accommodations Outstanding which are due and owing and any other amounts owing under the Credit Documents.

Section 2.12 Computations of Interest and Fees.

- (1) All computations of interest shall be made by the Administrative Agent taking into account the actual number of days occurring in the period for which such interest is payable and (i) if based on the Canadian Prime Rate ~~or~~, the U.S. Prime Rate, [Daily Compounded CORRA or Term](#)

CORRA, on the basis of a year of 365 days, or (ii) if based on ~~the~~Term SOFR ~~Rate~~, on the basis of a year of 360 days.

- (2) All computations of Fees shall be made by the Administrative Agent on the basis of a year of 365 days taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which the fees are payable.
- (3) For purposes of the *Interest Act* (Canada), (i) whenever any interest or Fee under this Agreement is calculated using a rate based on a year of 360 days or 365 days, as the case may be, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 360 days or 365 days, as the case may be, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 360 or 365, as the case may be, (ii) the principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement, and (iii) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.
- (4) If any provision of this Agreement or of any of the other Credit Documents would obligate the Borrower or a Guarantor to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by Applicable Law or would result in a receipt by such Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)) then, notwithstanding such provisions, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Applicable Law or so result in a receipt by such Lender of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: firstly, by reducing the amount or rate of interest required to be paid to such Lender under the applicable Credit Document, and thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to such Lender which would constitute "interest" for purposes of Section 347 of the *Criminal Code* (Canada).

ARTICLE 3 ADVANCES

Section 3.1 The Advances.

- (1) Each Lender severally agrees, on the terms and conditions of this Agreement, to make Advances to the Borrower from time to time on any Business Day prior to the Maturity Date.
- (2) The Swingline Lender agrees, on the terms and conditions of this Agreement, to make Swingline Advances under the Swingline Facility from time to time on any Business Day prior to the Maturity Date.
- (3) Each Borrowing shall consist of the same Types of Advances made to the Borrower on the same day rateably by the Lenders and each Type of Advance shall be in the aggregate minimum amount and in an integral multiple of the amount set forth in Schedule 2.6.

Section 3.2 Procedure for Borrowing.

- (1) Each Borrowing shall be made on the number of days prior notice specified in Schedule 2.6, given not later than 11:00 a.m. (Toronto time) by the Borrower to the Administrative Agent. Each notice of a Borrowing (a "Borrowing Notice") shall be in substantially the form of Schedule 3.2(1), shall be irrevocable and binding on the Borrower and shall specify (i) the requested date of the Borrowing, (ii) the Type of Advances comprising the Borrowing, (iii) the aggregate amount

and currency of the Borrowing, and (iv) in the case of a SOFR Rate Advance or a CORRA Advance, the initial Interest Period. Upon receipt by the Administrative Agent of funds from the Lenders and fulfilment of the applicable conditions set forth in Article 6, the Administrative Agent will make such funds available to the Borrower in accordance with Article 2.

- (2) To request a Swingline Advance, the Borrower shall provide written notice to the Swingline Lender (with a copy to the Administrative Agent) of such request (or telephone notice promptly confirmed in writing) substantially in the form of **Schedule 3.2(1)** not later than 11:00 a.m. (Toronto time) on the date of the Borrowing. Each such notice shall be irrevocable and shall specify the requested date of the Borrowing and the aggregate amount and currency of the Borrowing. The Swingline Lender shall make each Swingline Advance available to the Borrower by means of a credit to the relevant Borrower's Account by 3:00 p.m. (Toronto time) on the requested date of such Borrowing. In addition, the Swingline Facility shall also be available to the Borrower by way of overdraft on the Borrower's Accounts. Any amounts obtained by way of overdraft shall be deemed to be a Canadian Prime Rate Advance or a U.S. Prime Rate Advance, as applicable, for purposes of this Agreement.

Section 3.3 Conversions and Elections Regarding Advances.

- (1) Each Advance shall initially be the Type of Advance specified in the applicable Borrowing Notice and shall bear interest at the rate applicable to that Type of Advance until (i) in the case of a SOFR Rate Advance or a CORRA Advance, the end of the initial Interest Period specified in the Borrowing Notice, (ii) in the case of a Floating Rate Advance, the date on which the Advance is repaid in full or is changed to another Type of Advance pursuant to Section 3.3(2), or (iii) in the case of any Advance, it is converted to another Type of Accommodation pursuant to Section 3.3(2).
- (2) The Borrower may elect to (i) change any Advance to another Type of Advance in accordance with Section 3.3(3) or convert an Advance to another Type of Accommodation, in each case, in the same currency, upon the number of days notice specified in Schedule 2.6, (y) in the case of a Floating Rate Advance, as of any Business Day, and (z) in the case of a SOFR Advance or CORRA Advance, as of the last day of the Interest Period applicable to the SOFR Rate Advance or CORRA Advance, or (ii) continue any SOFR Rate Advance or CORRA Advance for a further Interest Period beginning on the last day of the then current Interest Period in accordance with Section 3.3(3).
- (3) Each election to change from one Type of Advance to another Type of Advance or to continue a SOFR Rate Advance or a CORRA Advance for a further Interest Period shall be made on the number of days prior notice specified in Schedule 2.6, given, in each case, not later than noon (Toronto time) by the Borrower to the Administrative Agent. Each such notice (an "Election Notice") shall be given substantially in the form of Schedule 3.3(3) and shall be irrevocable and binding upon the Borrower. If the Borrower fails to deliver an Election Notice to the Administrative Agent for any SOFR Rate Advance or CORRA Advance as provided in this Section 3.3(3), the SOFR Rate Advance or CORRA Advance, as applicable, shall be converted (as of the last day of the applicable Interest Period) to and be outstanding as a U.S. Prime Rate Advance or a Canadian Prime Rate Advance, as applicable. The Borrower shall not select a Interest Period which conflicts with the definition of Interest Period in Section 1.1 or, in the opinion of the Administrative Agent, with the repayment schedule in Section 2.5.

Section 3.4 Interest on Advances.

- (1) The Borrower shall pay interest on the unpaid principal amount of each Advance from the date of the Advance until the principal amount of the Advance is repaid in full, at the following rates per annum:
 - (a) if and so long as the Advance is a Canadian Prime Rate Advance, at a rate per annum equal at all times to the sum of the Canadian Prime Rate in effect from time to time plus the Applicable Margin;
 - (b) if and so long as the Advance is a U.S. Prime Rate Advance, at a rate per annum equal at all times to the U.S. Prime Rate in effect from time to time plus the Applicable Margin; ~~and~~
 - (c) if and so long as the Advance is a SOFR Rate Advance, at a rate per annum equal, at all times during each Interest Period for such SOFR Rate Advance, to the sum of the Adjusted Term SOFR Rate for such Interest Period plus the Applicable Margin; ~~and~~
 - (d) if and as long as the Advance is a CORRA Advance, Adjusted Daily Compounded CORRA in effect from time to time or Adjusted Term CORRA for the applicable Interest Period, as applicable, plus in each case the Applicable Margin.
- (2) Interest on Canadian Prime Rate Advances and U.S. Prime Rate Advances shall be calculated and payable in arrears (i) on the first Business Day of each month, and (ii) when the Advance becomes due and payable in full, is repaid, or is converted to another Type of Advance or Accommodation. Interest on SOFR Rate Advances shall be calculated and payable ~~(iii)~~ on the ninetieth day, if any, of the Interest Period, ~~(iv)~~ on the last day of the Interest Period and ~~(v)~~ when such SOFR Rate Advance becomes due and payable in full, is repaid, or is converted to another Type of Advance. Interest on CORRA Advances shall be calculated and payable (i) on the last day of the Interest Period and (ii) when such CORRA Advance becomes due and payable in full, is repaid, or is converted to another Type of Advance.
- (3) From and after the date of the occurrence of an Event of Default and for so long as such Event of Default continues, all Accommodations Outstanding shall bear interest or Fees at the rates otherwise applicable plus two percent (2%) per annum.
- (4) In connection with the use or administration of SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of SOFR.
- (5) In connection with the use or administration of CORRA or Term CORRA, the Administrative Agent will have the right to make Canadian Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Canadian Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Canadian Benchmark Replacement

[Conforming Changes in connection with the use or administration of CORRA or Term CORRA, as applicable.](#)

Section 3.5 Participation in Swingline Advances

- (1) Swingline Advances shall be made by the Swingline Lender without assignment to or participation by the other Lenders (except as provided in this Section 3.5). All interest payments and principal repayments of or in respect of Swingline Advances shall be solely for the account of the Swingline Lender and shall be paid by the Borrower to the Swingline Lender. Subject to Section 3.5(3), Article 11 and Section 12.5, all costs and expenses relating to a Swingline Advance shall be solely for the account of the Swingline Lender.
- (2) Notwithstanding anything to the contrary in this Agreement, (a) if an Event of Default occurs or (b) at any time or from time to time, if the Swingline Lender so requires (in any event no less frequently than once weekly), and there are then outstanding Swingline Advances, then, effective on the day of notice to that effect to the Administrative Agent and the other Lenders from the Swingline Lender, the Borrower shall be deemed to have requested, and hereby requests, a Borrowing of an amount under the Credit Facility, by way of Canadian Prime Rate Advances or U.S. Prime Rate Advances (as applicable), sufficient to repay such Swingline Advances and accrued and unpaid interest thereon, and on the Business Day immediately following receipt of such notice, the other Lenders shall disburse to the Administrative Agent, who shall remit to the Swingline Lender, their rateable portions of such amounts and such amounts shall thereupon be deemed to have been advanced by the Lenders and to constitute Advances.
- (3) If the Administrative Agent so directs, instead of funding an Advance in accordance with Section 3.5(2), each Lender shall purchase participations from the Swingline Lender in such outstanding Swingline Advances in an amount equal to such Lender's rateable share of such outstanding Swingline Advances together with accrued and unpaid interest thereon, and on the next Business Day immediately following receipt of such notice, each such Lender shall disburse to the Administrative Agent, who shall remit to the Swingline Lender, an amount equal to its participation interest in such outstanding Swingline Advances.
- (4) Each Lender acknowledges and agrees that its obligation to make Advances and to acquire participations in Swingline Advances, in each case, pursuant to this Section 3.5 is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuation of a Default or Event of Default or a reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.
- (5) If any amount required to be paid by a Lender to the Administrative Agent pursuant to Section 3.5(2) or Section 3.5(3) is not paid to the Administrative Agent when due, such Lender shall pay to the Administrative Agent, on demand, for the benefit of the Swingline Lender, such amount together with interest, from the date the payment was to be made until the date it is actually made, at the prevailing interbank rate.
- (6) If, at any time after the Swingline Lender has received the proceeds of the sale of participations pursuant to Section 3.5(3), the Swingline Lender receives a payment in respect of the relevant Swingline Advances (whether directly from the Borrower or otherwise), the Swingline Lender will distribute to the Administrative Agent, for the rateable benefit of the Lenders, their rateable portion of such payment; provided, however, if any payment so received by the Swingline Lender shall be required to be returned by the Swingline Lender, the Lenders shall return to the Swingline Lender the portion thereof previously distributed to them.

Section 3.6 Break Funding Payments.

The Borrower shall indemnify the Administrative Agent and each Lender against the Administrative Agent's and such Lender's actual loss, cost and expense incurred by such Lender as a consequence of (a) the Borrower's failure to make any payment when due on a SOFR Rate Advance or a Term CORRA Advance, (b) any payment, prepayment or conversion of any SOFR Rate Advance or any CORRA Advance on a day other than the last day of the Interest Period, or (c) any failure to make a borrowing or conversion of a SOFR Rate Advance or a CORRA Advance after giving notice thereof, in each case whether voluntarily, by reason of acceleration or otherwise; provided that such loss, cost or expense shall exclude any loss of anticipated profit and all administrative, processing or similar fees. Any Lender requesting compensation under this Section shall be required to deliver a certificate to the Borrower that sets forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, the basis therefor and, in reasonable detail, the manner in which such amount or amounts were determined, which certificate shall be conclusive absent manifest error. A certificate as to any amounts payable pursuant to this paragraph given to the Borrower by the Administrative Agent shall, in the absence of manifest error, be conclusive and shall be payable within 10 Business Days after receipt of such certificate.

Section 3.7 Conversion of LIBOR Rate Advances.

Any LIBOR Rate Advances (under and as defined in the Existing Credit Agreement) that are outstanding on the date of this Agreement shall be automatically converted into SOFR Rate Advances without any obligation of the Borrower to pay any breakage costs incurred by the Lenders in connection with such conversions prior to the expiry of the related LIBOR Interest Period (as defined in the Existing Credit Agreement).

ARTICLE 4

~~BANKERS' ACCEPTANCES~~ [INTENTIONALLY DELETED]

~~Section 4.1 Acceptances and Drafts.~~

- ~~(1) Each Lender severally agrees, on the terms and conditions of this Agreement and from time to time on any Business Day prior to the Maturity Date (i) in the case of a Lender which is willing and able to accept Drafts, to create acceptances ("Bankers' Acceptances") by accepting Drafts and to purchase such Bankers' Acceptances in accordance with Section 4.3(2), or, (ii) in the case of a Lender which is unwilling or unable to accept Drafts, to purchase completed Drafts (which have not and will not be accepted by such Lender or any other Lender) in accordance Section 4.3(2).~~
- ~~(2) Each Drawing shall consist of the creation and purchase of Bankers' Acceptances or the purchase of Drafts on the same day, in each case for the Drawing Price, effected or arranged by the Lenders in accordance with Section 4.3 rateably according to their respective Commitments.~~
- ~~(3) If the Administrative Agent determines that the Bankers' Acceptances to be created and purchased or Drafts to be purchased on any Drawing (upon a conversion or otherwise) will not be created and purchased rateably by the Lenders in accordance with Section 4.1(1) and Section 4.1(2), then the requested aggregate Face Amount of Bankers' Acceptances and Drafts shall be reduced to such lesser amount as the Administrative Agent determines will permit rateable sharing and the amount by which the requested Face Amount shall have been so reduced shall be converted or continued, as the case may be, as a Canadian Prime Rate Advance to be made contemporaneously with the Drawing.~~

Section 4.2 Form of Drafts:

~~Each Draft presented by the Borrower shall (i) be in a minimum amount of Cdn. \$1,000,000 and in an integral multiple of Cdn. \$100,000, (ii) be dated the date of the Drawing, and (iii) mature and be payable by the Borrower (in common with all other Drafts presented in connection with such Drawing) on a Business Day which occurs approximately 1, 2 or 3 months at the election of the Borrower (subject to availability) after the Drawing Date and ~~on or prior to the~~ Maturity Date, and which would not, in the opinion of the Administrative Agent, conflict with the repayment schedule set out in Section 2.5.~~

Section 4.3 Procedure for Drawing

- ~~(1) Each Drawing shall be made on notice (a "Drawing Notice") given by the Borrower to the Administrative Agent not later than 11:00 a.m. (Toronto time) on the number of days' notice specified in Schedule 4.3(1). Each Drawing Notice shall be in substantially the form of Schedule 4.3(1), shall be irrevocable and binding on the Borrower and shall specify (i) the Drawing Date, (ii) the aggregate Face Amount of Drafts to be accepted and purchased (or purchased, as the case may be), and (iii) the contract maturity date for the Drafts.~~
- ~~(2) Not later than noon (Toronto time) on an applicable Drawing Date, each Lender shall complete one or more Drafts in accordance with the Drawing Notice and either (i) accept the Drafts and purchase the Bankers' Acceptances so created for the Drawing Price, or (ii) purchase the Drafts for the Drawing Price. In each case, upon receipt of the Drawing Price from the Lenders and fulfilment of the applicable conditions set forth in Article 6, the Administrative Agent shall make funds available to the Borrower in accordance with Article 2.~~
- ~~(3) The Borrower shall, at the request of a Lender, issue one or more non-interest bearing promissory notes (each a "BA Equivalent Note"), in such form as the Lender may reasonably specify, payable on the date of maturity of, and in a principal amount equal to the Face Amount of, and in exchange for, any unaccepted Drafts which the Lender has purchased or has arranged to have purchased in accordance with Section 4.3(2).~~
- ~~(4) Bankers' Acceptances purchased by the Lender may be held by it for its own account until the contract maturity date or sold by it at any time prior to that date in any relevant Canadian market in such Person's sole discretion. The Borrower hereby waives presentment for payment of BA Instruments and any defence to payment of amounts due to a Lender in respect of a BA Instrument which might exist by reason of such BA Instrument being held at maturity by such Lender which accepted and purchased or purchased, as the case may be, it and agrees not to claim from such Lender any days of grace for the payment at maturity of any BA Instrument.~~

Section 4.4 Presigned Draft Forms:

- ~~(1) Subject to Section 4.4(2), to enable the Lenders to create Bankers' Acceptances or complete Drafts in the manner specified in this Article 4, the Borrower shall supply each Lender with such number of Drafts as it may reasonably request, duly endorsed and executed on behalf of the Borrower. Each Lender will exercise such care in the custody and safekeeping of Drafts as it would exercise in the custody and safekeeping of similar property owned by it and will, upon request by the Borrower, promptly advise the Borrower of the number and designations, if any, of uncompleted Drafts held by it for the Borrower. The signature of any officer of the Borrower on a Draft may be mechanically reproduced and BA Instruments bearing facsimile signature shall be binding upon the Borrower as if they had been manually signed. Even if the individuals whose manual or facsimile signature appears on any BA Instrument no longer hold office at the date of signature,~~

at the date of its acceptance by the Lender or at any time after such date, any BA Instrument so signed shall be valid and binding upon the Borrower.

- (2) ~~The Borrower hereby irrevocably appoints each applicable Lender as its attorney to complete, sign and endorse on its behalf, manually or by facsimile or mechanical signature, any BA Instrument necessary to enable each such Lender to make Drawings in the manner specified in this Article 4. Upon the request of any Lender, the Borrower shall provide to such Lender a power of attorney to complete, sign and endorse BA Instruments on behalf of the Borrower in form and substance satisfactory to such Lender, acting reasonably. All BA Instruments signed or endorsed on the Borrower's behalf by a Lender shall be binding on the Borrower, all as if duly signed or endorsed by the Borrower. Each Lender shall (i) maintain a record with respect to any BA Instrument completed in accordance with this Section 4.4(2), voided by it for any reason, accepted and purchased or purchased or, in the case of a BA Equivalent Note, exchanged for another BA Instrument by it pursuant to Section 4.3, and cancelled at its respective maturity; and (ii) retain such records in the manner and for the statutory periods provided by Applicable Law which apply to such Lender and make such records available to the Borrower acting reasonably. On request by the Borrower, the applicable Lender shall cancel and return to the possession of the Borrower all BA Instruments which have been pre-signed or pre-endorsed on behalf of the Borrower and which are held by such Lender and are not required to make Drawings in accordance with this Article 4.~~

Section 4.5 Payment, Conversion or Renewal of BA Instruments.

- (1) ~~Upon the maturity of a BA Instrument, the Borrower may (i) elect to issue a replacement BA Instrument by giving a Drawing Notice in accordance with Section 4.3(1), (ii) elect to have all or a portion of the Face Amount of the BA Instrument converted to an Advance by giving a Borrowing Notice in accordance with Section 3.2, or (iii) pay, on or before 11:00 a.m. (Toronto time) on the maturity date for the BA Instrument, an amount in Canadian Dollars equal to the Face Amount of the BA Instrument (notwithstanding that the Lender may be the holder of it at maturity). Subject to Section 4.5(2), any such payment shall satisfy the Borrower's obligations under the BA Instrument to which it relates and the relevant Lender shall then be solely responsible for the payment of the BA Instrument.~~
- (2) ~~The difference between the Drawing Price of a replacement BA Instrument and the amount required to repay the maturing BA Instrument, in the case of a BA Instrument to be replaced pursuant to Section 4.5(1), and between the Drawing Price of a BA Instrument and the amount required to repay the Advance which is being converted to such BA Instrument, in each case, shall be paid by the Borrower on or before 11:00 a.m. (Toronto time) on the date of the Drawing.~~
- (3) ~~If the Borrower fails to pay any BA Instrument when due or issue a replacement in at least the Face Amount of such BA Instrument pursuant to Section 4.5(1), or fails to pay any amount in Section 4.5(2), the Borrower shall be deemed to have requested a Canadian Prime Rate Advance to be made by the Lenders rateably in an amount equal to the unpaid amount due and payable, which Advance shall bear interest calculated and payable as provided in Article 3. This deemed request and Advance shall occur as of the maturity date or date of the Drawing, as applicable, and without any necessity for the Borrower to give a Borrowing Notice.~~
- (4) ~~The Borrower acknowledges that BA Instruments may not be prepaid prior to the maturity thereof. If the Borrower is required to repay a BA Instrument pursuant to Article 2 or Article 10, then the Borrower shall pay to the Administrative Agent an amount equal to the Face Amount of such BA Instrument to be held by the Administrative Agent in a non-interest bearing account and applied to the repayment of such BA Instrument upon maturity.~~

ARTICLE 5 DOCUMENTARY CREDITS

Section 5.1 Documentary Credits.

The Issuing Bank agrees, on the terms and conditions of this Agreement and in reliance on the agreements of the other Lenders set forth in Section 5.5, to issue Documentary Credits for the account of the Borrower from time to time on any Business Day prior to the Maturity Date. The aggregate Face Amount of Documentary Credits outstanding at any time shall not exceed \$20,000,000. The parties hereto agree that each of the Existing Documentary Credits shall be deemed to be a Documentary Credit issued by the Issuing Bank hereunder.

Section 5.2 Procedure for Issue.

- (1) Each Issue shall be made on notice (an "Issue Notice") given by the Borrower to the Issuing Bank (with a copy to the Administrative Agent) not later than 11:00 a.m. (Toronto time) on the number of days notice specified in Schedule 5.2(1). The Issue Notice shall be in substantially the form of Schedule 5.2(1) shall be irrevocable and binding on the Borrower and shall specify (i) the requested date of Issue (the "Issue Date"), (ii) the Type of Documentary Credit, (iii) the Face Amount and currency of the Documentary Credit, (iv) the expiration date (which shall not occur later than the earlier of (x) twelve months after the Issue Date and (y) the Maturity Date), and (v) the name and address of the Beneficiary. If requested by the Issuing Bank, the Borrower shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Documentary Credit.
- (2) Prior to the Issue Date, the Borrower shall provide a precise description of the documents and the verbatim text of any certificates to be presented by the Beneficiary which, if presented by the Beneficiary, would require the Issuing Bank to make payment under the Documentary Credit. The Issuing Bank may require changes in any such document or certificate.

Section 5.3 Form of Documentary Credits.

Each Documentary Credit shall (i) be dated the Issue Date, (ii) have an expiration date on the Business Day specified in Section 5.2(1) or, if such date is not a Business Day, on the Business Day immediately preceding such date, (iii) comply with the definition of Documentary Credit, (iv) be issued in Canadian Dollars or U.S. Dollars, and (v) be on the standard documentary forms required by the Issuing Bank.

Section 5.4 Reimbursements of Amounts Drawn.

- (1) At or before 11:00 a.m. (Toronto time) on the date specified by a Beneficiary as a drawing date under a Documentary Credit, the Borrower shall pay to the Issuing Bank an amount in same day funds equal to the amount to be drawn by the Beneficiary in the currency in which the Documentary Credit is payable.
- (2) If the Borrower fails to pay to the Issuing Bank all or any portion of the amount required to be paid by the Borrower when due pursuant to Section 5.4(1) (the "Unreimbursed Amount"), the Unreimbursed Amount shall bear interest payable on demand at the rate per annum determined pursuant to Section 12.8 for each day from the date the Issuing Bank disburses funds to the Beneficiary to the date that the Lenders fund the relevant Borrowing pursuant to Section 5.5(2); provided that in the event the Lenders fund their participations in such Documentary Credit pursuant to Section 5.5(3), interest will be payable on the Unreimbursed Amount for each day from the date the Issuing Bank disburses funds to the Beneficiary to the date that the Borrower

pays such Unreimbursed Amount. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of any funding by the Lenders pursuant to Section 5.5(3), shall be for the account of the Lenders.

Section 5.5 Documentary Credit Participation.

- (1) By the Issue of a Documentary Credit (or an amendment to a Documentary Credit increasing the amount thereof), and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank shall be deemed to have granted to each Lender and each Lender shall be deemed to have purchased from the Issuing Bank for the Lender's own account and risk, a participation in such Documentary Credit equal to the Lender's rateable portion of the Issuing Bank's obligations and rights under each Documentary Credit. In consideration of the foregoing, each Lender agrees to pay to the Administrative Agent, for the benefit of the Issuing Bank, such Lender's rateable portion of any amount drawn under any Documentary Credit and not reimbursed in full by the Borrower to the Issuing Bank in accordance with Section 5.4(1).
- (2) If the Borrower fails to pay to the Issuing Bank any Unreimbursed Amount, then, effective on the day of notice to that effect to the Administrative Agent and the other Lenders from the Issuing Bank, the Borrower shall be deemed to have requested, and hereby requests, a Borrowing of an amount, by way of Canadian Prime Rate Advances or U.S. Prime Rate Advances (as applicable), sufficient to repay such Unreimbursed Amount. On the Business Day immediately following receipt of such notice, the other Lenders shall disburse to the Administrative Agent, who shall remit to the Issuing Bank, their rateable portions of such amount and such amounts shall thereupon be deemed to have been advanced by the Lenders and to constitute Advances.
- (3) If a Lender does not consider it advisable to fund an Advance pursuant to Section 5.5(2) or if the Administrative Agent so directs, instead of funding an Advance, such Lender shall make a payment in respect of its participation interest in the related Documentary Credit purchased pursuant to Section 5.5(1) in an amount equal to such Lender's rateable share of the Unreimbursed Amount, and on the next Business Day immediately following receipt of such notice, such Lender shall disburse to the Administrative Agent, who shall remit to the Issuing Bank, an amount equal to such Lender's rateable share of the Unreimbursed Amount.
- (4) Each Lender acknowledges and agrees that its obligation to make Advances and acquire participations pursuant to this Section 5.5 is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Documentary Credit, the occurrence and continuance of a Default or Event of Default, the reduction or termination of the Commitments, or the expiration, termination or cash collateralization of any Documentary Credit, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Upon payment in full of all amounts payable by a Lender under this Section 5.5(2), such Lender shall be subrogated to the rights of the Issuing Bank against the Borrower to the extent of such Lender's rateable share of the Unreimbursed Amount (including interest accrued thereon).
- (5) If any amount required to be paid by a Lender to the Administrative Agent pursuant to Section 5.5(2) or Section 5.5(3) is not paid to the Administrative Agent within two Business Days after the date the payment is due, such Lender shall pay to the Administrative Agent, on demand, for the benefit of the Issuing Bank, such amount together with interest, from the date the payment was to be made until the date it is actually made, at the prevailing interbank rate.
- (6) If, at any time after the Issuing Bank has made a payment under any Documentary Credit and has received from the Lenders their rateable portion of such payment, the Issuing Bank receives a payment in respect of the Documentary Credit (whether directly from the Borrower or

otherwise), the Issuing Bank will distribute to the Administrative Agent, for the benefit of the Lenders, their rateable portion of such payment; provided, however, if any payment so received by the Issuing Bank shall be required to be returned by the Issuing Bank, the Lenders shall return to the Issuing Bank the portion thereof previously distributed to them.

Section 5.6 Risk of Documentary Credits.

- (1) In determining whether to pay under a Documentary Credit, the Issuing Bank shall be responsible only to determine that the documents and certificates required to be delivered under the Documentary Credit have been delivered and that they comply on their face with the requirements of the Documentary Credit.
- (2) The reimbursement obligation of the Borrower under any Documentary Credit shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including (i) any lack of validity or enforceability of a Documentary Credit, (ii) the existence of any claim, set off, defence or other right which the Borrower may have at any time against a Beneficiary, the Issuing Bank or any other Person, whether in connection with the Credit Documents and the transactions contemplated therein or any other transaction (including any underlying transaction between the Borrower and the Beneficiary), (iii) any certificate or other document presented with a Documentary Credit proving to be forged, fraudulent or invalid or any statement in it being untrue or inaccurate, (iv) the existence of any act or omission or any misuse of, a Documentary Credit or misapplication of proceeds by the Beneficiary, including any fraud in any certificate or other document presented with a Documentary Credit, (v) payment by the Issuing Bank under the Documentary Credit against presentation of a certificate or other document which does not comply with the terms of the Documentary Credit unless such payment constitutes gross negligence or wilful misconduct of the Issuing Bank, or (vi) the existence of a Default or Event of Default.
- (3) The Issuing Bank shall not be responsible for (i) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Documentary Credit or the rights or benefits under it or proceeds of it, in whole or in part, which may prove to be invalid or ineffective for any reason, (ii) errors, omissions, interruptions or delays in transmission or delivery of any messages by mail, facsimile or otherwise, (iii) errors in interpretation of technical terms, (iv) any loss or delay in the transmission of any document required in order to make a drawing, and (v) any consequences arising from causes beyond the control of the Issuing Bank, including the acts or omissions, whether rightful or wrongful, of any Governmental Authority. None of the above shall affect, impair, or prevent the vesting of any of the Issuing Bank's rights or powers under this Agreement. Any action taken or omitted by the Issuing Bank under or in connection with any Documentary Credit or the related certificates, if taken or omitted in good faith, shall not put the Issuing Bank under any resulting liability to the Borrower provided that the Issuing Bank acts in accordance with the standards of reasonable care specified in the *Uniform Customs and Practice for Documentary Credits* (2006 Revision), ICC Publication 600 (or any replacement publication).

Section 5.7 Fees.

- (1) The Borrower shall pay to the Administrative Agent, for the rateable benefit of the Lenders, a participation Fee with respect to each outstanding Documentary Credit at a rate per annum equal to the Applicable Margin, calculated on the basis of the undrawn Face Amount of each such Documentary Credit. Such Fee shall be calculated daily and payable in arrears on the first Business Day of each Financial Quarter in respect of the immediately preceding Financial

Quarter, and on the Maturity Date, in each case in the currency in which the Documentary Credit is payable and shall be non-refundable.

- (2) The Borrower shall pay to the Issuing Bank a fronting Fee with respect to each outstanding Documentary Credit at a rate per annum equal to 0.25%, calculated on the basis of the undrawn Face Amount of such Documentary Credit. Such Fee shall be calculated daily and payable in arrears on the first Business Day of each Financial Quarter in respect of the immediately preceding Financial Quarter, and on the Maturity Date, in each case in the currency in which the Documentary Credit is payable and shall be non-refundable.
- (3) The Borrower shall pay to the Issuing Bank, upon the issuance, amendment or transfer of each Documentary Credit issued by the Issuing Bank and each drawing made under it, the Issuing Bank's customary charges in respect of the same.

Section 5.8 Repayments.

- (1) If the Borrower is required to repay the Accommodations pursuant to Article 2 or Article 10, then the Borrower shall pay to the Administrative Agent an amount equal to the Issuing Bank's contingent liability in respect of (i) any outstanding Documentary Credit, and (ii) any Documentary Credit which is the subject matter of any order, judgment, injunction or other such determination (a "Judicial Order") restricting payment under and in accordance with such Documentary Credit or extending the Issuing Bank's liability under such Documentary Credit beyond its stated expiration date. Payment in respect of each Documentary Credit shall be due in the currency in which the Documentary Credit is denominated.
- (2) The Issuing Bank shall, with respect to any Documentary Credit, upon the later of:
 - (a) the date on which any final and non-appealable order, judgment or other such determination has been rendered or issued either terminating the applicable Judicial Order or permanently enjoining the Issuing Bank from paying under such Documentary Credit; and
 - (b) the earlier of (i) the date on which either (x) the original counterpart of the Documentary Credit is returned to the Issuing Bank for cancellation, or (y) the Issuing Bank is released by the Beneficiary from any further obligations, and (ii) the expiry (to the extent permitted by any Applicable Law) of the Documentary Credit,

pay to the Borrower an amount equal to the difference between the amount paid to the Issuing Bank pursuant to Section 5.8(1) and the amounts paid by the Issuing Bank under the Documentary Credit.

ARTICLE 6 CONDITIONS OF LENDING

Section 6.1 Conditions Precedent to Effectiveness.

The obligations of each Lender under this Agreement are subject to and conditional upon the following conditions precedent being fulfilled to the satisfaction of the Administrative Agent and the Lenders:

- (a) no Default or Event of Default has occurred or is continuing on the Closing Date;

- (b) the representations and warranties of the Borrower contained in Article 7 and of the Credit Parties contained in each of the other Credit Documents are true and correct (in all material respects, other than in respect of representations and warranties which include materiality qualifiers) on the Closing Date as if such representations and warranties were made on that date, unless such representation and warranty is made as of an earlier date, in which case it is true and correct as of such earlier date;
- (c) the Administrative Agent has received, in form and substance and dated a date satisfactory to the Lenders and their counsel and in sufficient quantities for each Lender:
 - (i) certified copies of (i) the charter documents and by-laws of the Borrower, (ii) all resolutions of the board of directors of the Borrower approving the borrowing and other matters contemplated by this Agreement and the other Credit Documents, and (iii) a list of the officers and directors authorized to sign agreements together with their specimen signatures;
 - (ii) a certificate of status, compliance or like certificate with respect to the Borrower issued by the appropriate Governmental Authority of the jurisdiction of its incorporation and, if different, the jurisdiction in which it has its chief executive office;
 - (iii) an acknowledgement and confirmation agreement from the Borrower and each Guarantor (other than Vault Home);
 - (iv) an unconditional guarantee of the obligations of the Borrower by Vault Home, in a form substantially similar to the guarantees previously delivered by the Subsidiaries;
 - (v) such Security Documents and other documents (including financing statements, notices of security, consents, approvals, acknowledgements, undertakings, subordinations, discharges, waivers, directions, negotiable documents of title and other documents and instruments), and registrations with respect thereto, as the Administrative Agent determines, acting reasonably, are necessary or desirable in order to create a first priority perfected Lien (subject to those Permitted Liens which, under Applicable Law or as otherwise agreed to by the Majority Lenders, are to have priority and subject to customary collateral exclusions) in all Assets of Vault Home and all Equity Interests in the capital of Vault Home;
 - (vi) (i) all documents, instruments, financing statements and notices of security shall have been properly registered, recorded and filed in all places which, (ii) searches shall have been conducted in all jurisdictions which, and (iii) deliveries of all consents, approvals, acknowledgements, confirmations, undertakings, subordinations, discharges, waivers, directions, negotiable documents of title and other documents and instruments to the Administrative Agent shall have been made which, in each case, are desirable or required to make effective the Security and to ensure the perfection and the first-ranking priority of such Security subject only to Permitted Liens which, under Applicable Law or as otherwise agreed to by the Majority Lenders, are to have priority;

- (vii) certificates representing the Equity Securities and instruments pledged pursuant to the Security Documents listed on Schedule 6.1(d)(iii) together with duly executed stock or note transfer powers;
- (viii) an opinion of counsel to each Credit Party addressed to the Lenders, the Administrative Agent and the Collateral Agent relating to the status and capacity of such Credit Party, the due authorization, execution and delivery and the validity and enforceability of the Credit Documents delivered on the Closing Date to which such Credit Party is a party, and such other matters as the Administrative Agent may reasonably request;
- (ix) all approvals, acknowledgments and consents of all Governmental Authorities and other Persons which are required to be obtained by any Credit Party in order to complete the transactions contemplated by this Agreement and to perform its obligations under any Credit Document to which it is a party; and
- (x) such other certificates and documentation as the Administrative Agent may reasonably request;
- (d) the Lenders are satisfied that there has not been an event or circumstance which could reasonably be expected to result in a Material Adverse Effect; and
- (e) all other fees and other amounts then payable under the Credit Documents have been paid in full.

Section 6.2 Conditions Precedent to Accommodations and Conversions.

- (1) The obligation of each Lender to make Accommodations or otherwise give effect to any Accommodation Notice is subject to fulfilment of the following conditions at the time of any Accommodation Notice or Accommodation, as the case may be:
 - (a) no Default or Event of Default has occurred or is continuing or would arise immediately after giving effect to or as a result of the Accommodation or Accommodation Notice; and
 - (b) the representations and warranties contained in Article 7 of this Agreement and in any other Credit Document are true and correct (in all material respects, other than in respect of representations and warranties which include materiality qualifiers) on the date of the Accommodation or Accommodation Notice, as the case may be, as if they were made on that date except for any representation and warranty which is stated to be made only as of a certain date (and then as of such date), and except to the extent that on or prior to such date the Borrower has advised the Administrative Agent in writing of a variation in any such representation or warranty, and the Majority Lenders have approved such variation in accordance with Section 12.1.
- (2) Each of the giving of any Accommodation Notice by the Borrower and the acceptance by the Borrower of any Accommodation shall be deemed to constitute a representation and warranty by the Borrower that, on the date of such Accommodation Notice or Accommodation, as the case may be, and after giving effect to it and to the application of any proceeds from it, the statements set forth in Section 6.2(1)(a) and Section 6.2(1)(b) are true and correct.

Section 6.3 No Waiver.

The making of an Accommodation or otherwise giving effect to any Accommodation Notice, without the fulfilment of one or more conditions set forth in Section 6.1 or Section 6.2, shall not, unless otherwise agreed to by the Majority Lenders or all Lenders, as applicable, in writing, constitute a waiver of any condition and the Administrative Agent and the Lenders reserve the right to require fulfilment of such condition in connection with any subsequent Accommodation Notice or Accommodation.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

Section 7.1 Representations and Warranties.

The Borrower represents and warrants to each Agent and each Lender, acknowledging and confirming that each Agent and each Lender is relying on such representations and warranties without independent inquiry in entering into this Agreement and providing Accommodations that:

- (a) **Incorporation and Qualification.** The Borrower is a corporation duly incorporated, organized and validly existing under the laws of the Province of Ontario. Each of the Subsidiaries is a corporation duly incorporated or other Person formed, and organized and validly existing under the laws of its jurisdiction of incorporation or formation as set forth in **Schedule 7.1(a)**. The Borrower and each of the Subsidiaries is qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which such qualification, licensing or registration is necessary except where the failure to be so qualified, licensed or registered, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;
- (b) **Power.** The Borrower and each of the Subsidiaries has all requisite power and authority to (i) own, lease and operate its properties and assets and to carry on its business as now being conducted by it, and (ii) enter into and perform its obligations under the Credit Documents to which it is a party;
- (c) **Conflict With Other Instruments.** The execution and delivery by the Borrower and each of the Guarantors and the performance by each of them of their respective obligations under, and compliance with the terms, conditions and provisions of, the Credit Documents to which they are a party will not (i) conflict with or result in a breach of any of the terms or conditions of (u) their respective constating documents or by-laws, (v) any Applicable Law, or (w) any contractual restriction binding on or affecting them or their respective Assets, or (ii) result in, require or permit (x) the imposition of any Lien in, on or with respect to any of their respective Assets (except in favour of the Collateral Agent and the Secured Creditors), (y) the acceleration of the maturity of any Debt binding on or affecting the Borrower or any Guarantor, or (z) any third party to terminate or acquire rights under any Material Agreement;
- (d) **Required Action, Governmental Approvals, etc.** The execution and delivery of each of the Credit Documents by the Borrower and each of the Guarantors and the performance by the Borrower and each of the Guarantors of their respective obligations under the Credit Documents have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary shareholder consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Authority or other Person, is or was necessary in connection with the execution, delivery and performance of obligations under the Credit

Documents except as are in full force and effect, unamended, at the date of this Agreement;

- (e) **Execution and Binding Obligation.** This Agreement and the other Credit Documents have been duly executed and delivered by the Borrower and each of the Guarantors, in each case, to the extent a party thereto and constitute legal, valid and binding obligations of each such Person enforceable against them in accordance with their respective terms, subject only to any limitation under Applicable Laws relating to (i) bankruptcy, insolvency, moratorium, arrangement or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies;
- (f) **Authorizations, etc.** The Borrower and each of the Subsidiaries possesses all authorizations, permits, consents, registrations and approvals necessary to properly conduct their respective businesses and all such authorizations, permits, consents, registrations and approvals are in good standing and in full force and effect, except where the failure to possess or maintain in good standing and in full force and effect such authorizations, permits, consents, registrations or approvals, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;
- (g) **Trademarks, Patents, etc.** The Borrower and each of the Subsidiaries possesses all the trademarks, trade names, copyrights, patents and licences necessary for the conduct of their respective businesses, each of which is in good standing and in full force and effect, except where the failure to possess or maintain in good standing and in full force and effect such trademarks, trade names, copyrights, patents and licences, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. To the best knowledge of the Borrower, neither it nor any of the Subsidiaries is infringing or is alleged to be infringing on the rights of any Person with respect to any patent, trademark, trade name, copyright (or any application or registration in respect thereof), licence, discovery, improvement, process, formula, know-how, data, plan or specification;
- (h) **Ownership and Use of Property.** There is not, as at the date of this Agreement, any Owned Property. The relevant Credit Party will have good and marketable title in fee simple to Owned Properties and the Credit Parties have good and merchantable title to all the tangible and intangible personal property reflected as assets in their books and records in each case free and clear of any Liens other than Permitted Liens. Neither the Borrower nor any of the Subsidiaries has any commitment or obligation (contingent or otherwise) to grant any Liens except for Permitted Liens. The Borrower and each of the Subsidiaries owns, leases or has the lawful right to use all of the Assets necessary for the proper conduct of their respective businesses. Each of the Subject Properties including the Buildings and Fixtures thereon, and their use, operation and maintenance for the purpose of carrying on the Business is in compliance with any applicable restrictive covenant and Applicable Law except where the failure to be in compliance, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;
- (i) **Ownership of Subject Properties.** None of the Credit Parties (i) owns any real property other than the Owned Properties, or (ii) is bound by any agreement to own or lease any real property other than the Real Property Leases;
- (j) **Leased Properties.** Each Real Property Lease is in good standing, creates a good and valid leasehold estate in the Leased Properties thereby demised, and is in full force and effect without amendment. With respect to each Real Property Lease, (i) such Real Property Lease (or a notice in respect of the Real Property Lease) has been properly

registered in the appropriate land registry office, (ii) all rents and additional rents have been paid, (iii) no waiver, indulgence or postponement of the lessee's obligations has been granted by the lessor, (iv) there exists no event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default under such Real Property Lease, and (v) to the best knowledge of the Borrower, all of the covenants to be performed by any other party under such Real Property Lease have been fully performed;

- (k) **Compliance with Applicable Laws.** The Borrower and each of the Subsidiaries is in compliance with all Applicable Laws except where the failure to be in compliance, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;
- (l) **Withholding and Remittance of Source Deductions.** The Borrower and each of the Subsidiaries has withheld from its employees, customers and other applicable payees (and timely paid to the applicable Governmental Authority) the proper and accurate amount of all Taxes, priority claims and other amounts required to be withheld or collected and remitted in compliance with all Applicable Laws;
- (m) **No Default.** Neither the Borrower nor any of the Subsidiaries is in violation of its constating documents, its by-laws or any shareholders' agreement applicable to it;
- (n) **No Default or Event of Default.** No Default or Event of Default has occurred and is continuing or would reasonably be expected to arise immediately after giving effect to or as a result of any Accommodation or Accommodation Notice pursuant to this Agreement;
- (o) **No Material Adverse Agreements.** Neither the Borrower nor any of the Subsidiaries is a party to any agreement or instrument or subject to any restriction (including any restriction set forth in its constating documents, by-laws or any shareholders' agreement applicable to it) which has or, to the best of its knowledge, in the future could reasonably be expected to have a Material Adverse Effect;
- (p) **Environmental Matters.**
 - (i) To the best of the knowledge of the Borrower, none of the Subject Properties or other Assets under the charge, management or control of the Borrower or any of the Subsidiaries (i) has ever been used by any Person as a waste disposal site or a landfill, or (ii) has ever had any asbestos, asbestos-containing materials, PCBs, radioactive substances or aboveground or underground storage systems, active or abandoned, located on, in, at or under it at the date of this Agreement;
 - (ii) to the best of the knowledge of the Borrower, there are no contaminants located in, on, at, under or about any of the Subject Properties;
 - (iii) neither the Borrower nor any of the Subsidiaries has transported, removed or disposed of any waste to a location across a national border as at the date of this Agreement; and
 - (iv) no Borrower or any Subsidiary is subject to any material Environmental Liability;

(q) Employee Plans.

- (i) The Borrower has furnished to the Administrative Agent (with sufficient copies for each of the Lenders) true, correct and complete copies of all Pension Plans, together with all related documentation, including the most recent actuarial reports (including actuarial valuations in respect of any multi-employer pension plan), financial statements and asset statements, all material opinions and memoranda (whether externally or internally prepared) and all material correspondence with all regulatory authorities or other relevant persons. No changes have occurred or are expected to occur which would materially affect the information contained in the actuarial reports, financial statements or asset statements required to be furnished to the Administrative Agent pursuant to this Section 7.1(p)(i);
 - (ii) All Employee Plans have been established, registered, administered, communicated and invested, as applicable, in accordance with Applicable Laws and no fact or circumstance exists which could adversely affect the registered status, as applicable, of any such Employee Plan. The Borrower and each Subsidiary has made all contributions in respect of each Employee Plan in a timely fashion in accordance with the terms of each Employee Plan, any collective agreements, and Applicable Laws.
 - (iii) No Pension Plan contains a “defined benefit provision” as such term is defined in the *Income Tax Act* (Canada);
 - (iv) None of the Employee Plans (other than Pension Plans) provide for retiree benefits or for benefits to retired employees or to the beneficiaries or dependants of retired employees;
 - (v) Other than in respect of routine claims for benefits, no action, investigation, examination, claim (including claims for income taxes, interest, penalties, fines or excise taxes) or any other proceeding initiated by any Person, is pending or threatened with respect to the Employee Plans and there exists no state of facts which could reasonably be expected to give rise to any such action, investigation, examination, claim or other proceeding;
- (r) Material Agreements, etc. All Material Agreements are in full force and effect, unamended. The Borrower and each of the Subsidiaries is in compliance with all Material Agreements in all material respects and none of the Borrower or any of the Subsidiaries, or to the best knowledge of the Borrower, any other party to any Material Agreement has defaulted in any material respect under any of the Material Agreements. No event has occurred which, with the giving of notice, lapse of time or both, would constitute a default in any material respect under, or in respect of, any Material Agreement. There is no material dispute regarding any Material Agreement;
- (s) Labour Matters. There are no existing or, to the best knowledge of the Borrower, threatened strikes, lock-outs or other disputes relating to any collective bargaining agreement to which the Borrower or any Subsidiary is a party and no trade union, council of trade unions or employee bargaining agency has applied or, to the best knowledge of the Borrower, threatened to apply to be certified as the bargaining agent of any of the employees of the Borrower or any Subsidiary in the last three (3) years. The hours worked and payments made to employees of the Borrower and each Subsidiary have not been in violation of any Applicable Laws, except where such violations could

not reasonably be expected to result in a Material Adverse Effect. Any individual who performs services for the Borrower or any Subsidiary (other than through a contract with an organization other than such individual) and who is not treated as an employee of the Borrower or such Subsidiary for any purpose, including income tax, withholding and remittances purposes, has been properly classified as an independent contractor and if such characterization is incorrect it could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect;

- (t) **Books and Records.** All books and records of the Borrower and each of the Subsidiaries have been fully, properly and accurately kept and completed in accordance with GAAP (or such other accounting principles as are properly applicable to the subject Credit Party), and there are no material inaccuracies or discrepancies of any kind contained or reflected therein. The Borrower's and the Subsidiaries' books and records and other data and information are available to the Borrower in the ordinary course of its business;
- (u) **Tax Liability.** The Borrower and each of the Subsidiaries has filed all tax and information returns which are required to be filed. The Borrower and each of the Subsidiaries has paid all Taxes which have become due pursuant to such returns or pursuant to any assessment received by any of them other than those in respect of which liability based on such returns or assessments is being contested in good faith and by appropriate proceedings where adequate reserves have been established in accordance with GAAP, and all Taxes that any Governmental Authority is currently entitled to collect in respect of such contest, if any, have been paid. Adequate provision for payment has been made for Taxes not yet due. There are no disputes with respect to Taxes existing or pending involving the Borrower, any of the Subsidiaries or the Business which could reasonably be expected to have a Material Adverse Effect;
- (v) **Corporate Structure and Subsidiaries.** At the date of this Agreement:
 - (i) there are no subsidiaries of the Borrower other than the subsidiaries identified as such in Schedule 7.1(v);
 - (ii) the share ownership of each of the Subsidiaries is as described in Schedule 7.1(v); and
 - (iii) Schedule 7.1(v) sets forth, for each Credit Party, the jurisdiction of its incorporation or organization, the type of organization it is and, if applicable, its U.S. taxpayer ID number;
- (w) **Financial Statements.** The historical financial statements provided to the Lenders in connection with this Agreement and the audited consolidated financial statements of the Borrower most recently delivered to the Administrative Agent pursuant to Section 8.1(a) have been prepared in accordance with GAAP and each presents fairly and consistently:
 - (i) the assets, liabilities, (whether accrued, absolute, contingent or otherwise) and financial position of the Borrower as at the respective dates of the relevant statements; and
 - (ii) the sales and earnings of the Borrower during the periods covered by such statements;

- (x) Financial Year. The Financial Year of the Borrower ends on December 31 of each calendar year;
- (y) Debt. No Credit Party has any Debt except as permitted by Section 8.2(a). There exists no default under the provisions of any instrument evidencing such Debt or of any agreement relating thereto which default could reasonably be expected to have a Material Adverse Effect;
- (z) Solvency. The Borrower and each of the Subsidiaries is Solvent;
- (aa) Security. The Security Documents (other than unsecured guarantees) are effective to create in favour of the Collateral Agent for the benefit of the Secured Creditors, legal, valid and perfected first priority Liens (subject only to Permitted Liens which, under Applicable Law or as otherwise agreed to by the Majority Lenders, are to have priority), enforceable in accordance with their terms against third parties and any trustee in bankruptcy in the Collateral subject thereto, except to the extent a secured creditor's rights are affected or limited by applicable bankruptcy, insolvency, moratorium, organization and other laws of general application limiting the enforcement of secured creditors' rights generally;
- (bb) No Litigation. There is no action, suit, arbitration or proceeding pending, taken or to the Borrower's knowledge, threatened, before or by any Governmental Authority or arbitrator or by or against any elected or appointed public official or private person in Canada or elsewhere, which (i) challenges, or to the knowledge of the Borrower, has been proposed which may challenge, the validity or propriety of the transactions contemplated under the Credit Documents or the documents, instruments and agreements executed or delivered in connection therewith or related thereto, or (ii) could reasonably be expected to have a Material Adverse Effect;
- (cc) Schedule Disclosure. At the date of this Agreement:
 - (i) Schedule 7.1(cc)(i) is a list of all addresses at which the Borrower and each of the Subsidiaries (i) have their respective chief executive office, head office, registered office and principal place of business, (ii) carry on business, or (iii) store any tangible personal property (except for goods in transit in the ordinary course of business), together with a list of all jurisdictions in which the Borrower and each of the Subsidiaries has any Account Debtors. All such locations in clauses (i), (ii) or (iii) which are (x) leased by the Borrower or a Subsidiary, (y) the subject of an agreement for warehousing services in favour of the Borrower or a Subsidiary, or (z) not owned, leased or the subject of such an agreement for warehousing services, are identified as such in Schedule 7.1(cc)(i);
 - (ii) Schedule 7.1(cc)(ii) is a list of all authorizations, permits, consents, registrations and approvals to which the Borrower or any of the Subsidiaries is a party or to which any of their assets could be subject, for which breach, non-performance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect;
 - (iii) Schedule 7.1(cc)(iii) is a list of all trademarks, tradenames, copyrights and patents (and the registration particulars thereof) of the Borrower or any Subsidiary which are material to the Borrower or Subsidiary and which are

registered with the Canadian Intellectual Property Office or with a similar office in another jurisdiction;

- (iv) Schedule 7.1(cc)(iv) is a list of all actions, suits, arbitrations or proceedings pending, taken or to the best knowledge of the Borrower, threatened, before or by any Governmental Authority or other Person affecting the Borrower or any Subsidiary involving claims which individually or in the aggregate exceed Cdn. \$2,000,000;
 - (v) Schedule 7.1(cc)(v) contains a list of all Employee Plans of the Borrower and the Subsidiaries;
 - (vi) Schedule 7.1(cc)(vi) contains a list of all agreements, contracts or similar instruments to which the Borrower or any of the Subsidiaries is a party or to which any of their assets could be subject, for which breach, non-performance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect; and
 - (vii) Schedule 7.1(cc)(vii) contains a list of all collective bargaining agreements to which the Borrower or any Subsidiary is a party;
- (dd) Anti-Terrorism, Anti-Corruption Laws. None of the Borrower or the Subsidiaries and, to the knowledge of the Borrower, none of its other Related Parties (i) is in violation of any applicable Anti-Terrorism Laws, (ii) deals in, or otherwise engages in any transaction related to, any property or interests in property blocked pursuant to, or in violation of, any Anti-Terrorism Law, (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law or (iv) has engaged in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of prohibited offenses designated by the Organization for Economic Co-operation and Development's Financial Action Task Force on Money Laundering. None of the Borrowings and none of the other services and products, if any, to be provided by any of the Secured Creditors under or in connection with this Agreement (i) will be used by, on behalf of, or for the benefit of, any Person other than the Borrower or any Subsidiary and other than Account Debtors in the ordinary course of the Business, or (ii) will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, official of any public international organization, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the *Corruption of Foreign Public Officials Act* (Canada), as amended, or any similar laws, rules or regulations issued, administered or enforced by any Governmental Authority having jurisdiction over the Borrower or any of the Subsidiaries. The Borrower and each of the Subsidiaries has taken reasonable measures appropriate to the circumstances (in any event as required by Applicable Law) to provide reasonable assurance that the Borrower and each of the Subsidiaries is and will continue to be in compliance with such applicable anti-corruption laws, rules and regulations;
- (ee) Disclosure. As at the dates supplied, all (i) forecasts and projections supplied to the Administrative Agent and the Lenders were prepared in good faith, adequately disclosed all relevant assumptions and were reasonable, and (ii) other written information supplied to the Administrative Agent and the Lenders is true and accurate in all material respects and did not contain any untrue statement of material fact or omit to state a material fact

necessary in order to make the statements contained in such written information not misleading in light of the circumstances under which such statements were made. There is no fact known to the Borrower which could reasonably be expected to have a Material Adverse Effect and which has not been fully disclosed to the Administrative Agent and the Lenders;

- (ff) Regulated Entities. No Credit Party is (a) an "investment company" within the meaning of the Investment Company Act of 1940; or (b) subject to regulation under the Public Utility Holding Company Act of 2005, the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other federal or state statute or regulation limiting its ability to incur Debt;
- (gg) ERISA.
 - (i) No Credit Party nor any of its respective ERISA Affiliates holds "plan assets" (within the meaning of 29 C.F.R. 2510.3-101, as modified in application by Section 3(42) of ERISA) of any "employee benefit plan" within the meaning of Section 3(3) of ERISA or any "plan" within the meaning of Section 4975(e)(1) of the Code. Neither the execution of this Agreement and the other Credit Documents nor the making of the Loans or issuance of Documentary Credits hereunder gives rise to a non-exempt prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code;
 - (ii) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other applicable law. Each Plan that is intended to qualify under Section 401(a) of the Code is maintained under a prototype or volume submitter plan and is entitled to rely upon a favourable opinion or advisory letter issued by the IRS or has received a favourable determination letter from the IRS or an application for such a letter is currently being processed by the IRS with respect thereto and, to the knowledge of the Credit Parties, nothing has occurred which would prevent, or cause the loss of, such qualification. Each Credit Party and each ERISA Affiliate have made all required contributions to each Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan;
 - (iii) There are no pending or, to the knowledge of the Credit Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that would be reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or would reasonably be expected to result in a Material Adverse Effect;
 - (iv) No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect; and
 - (v) The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Accounting Standards Codification No. 715: Compensation-Retirement Benefits) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan by an amount that could reasonably be expected to

have a Material Adverse Effect, and the present value of all accumulated benefit obligations of all underfunded Plans did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans by an amount that could reasonably be expected to have a Material Adverse Effect.

- (hh) Regulation U. None of the Credit Parties are engaged in the business of extending credit for the purpose of purchasing or carrying any “margin stock” or “margin security” (within the meaning of Regulations T, U or X issued by the Board), and no proceeds of any Accommodation will be used to purchase or carry any margin stock or margin security or to extend credit to others for the purpose of purchasing or carrying any margin stock or margin security within the meaning of such Regulations T, U or X; and
- (ii) OFAC; Patriot Act.
 - (i) No Credit Party, and to the best knowledge of the Borrower, none of their respective directors or officers or, if applicable, agents acting or benefiting in any capacity in connection with this Agreement or any other capital raising transaction involving any Lender, is a Person that is, or is owned or controlled by Persons that are: (i) the target of any Sanctions, or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions, including, without limitation, Cuba, Iran, North Korea, Sudan and Syria;
 - (ii) Each Credit Party and each subsidiary of a Credit Party is in compliance, in all material respects, with the Patriot Act. No part of the proceeds of any Borrowing or Documentary Credit will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended; and
 - (iii) Except as permitted by the Sanctions, no Credit Party, and to the best knowledge of the Borrower, none of their respective directors or officers or, if applicable, agents acting or benefiting in any capacity in connection with this Agreement or any other capital raising transaction involving any Lender, conducts any business or engages in making or receiving any contribution of goods, services or money to or for the benefit of any Person, or in any country or territory, that is the target of any Sanctions.
- (jj) Case Funding and Windset. As of the Closing Date, the value of the assets reflected on the most recent consolidated balance sheet of the Borrower does not exceed (i) in the case of Case Funding, \$175,000, and (ii) in the case of Windset, \$0.

Section 7.2 Survival of Representations and Warranties.

- (1) The representations and warranties in this Agreement and in any certificates or documents delivered to the Administrative Agent and the Lenders shall not merge in or be prejudiced by and shall survive any Accommodation and shall continue in full force and effect so long as any amounts are owing by the Borrower to the Lenders, or any of them, under this Agreement.
- (2) The representations and warranties in Section 7.1 will be deemed to be repeated by the Borrower on the date of delivery of any Accommodation Notice by the Borrower, the acceptance by the

Borrower of any Accommodation, and the date of delivery of each Compliance Certificate, except to the extent that on or prior to such date the Borrower has advised the Administrative Agent in writing of a variation in any such representation or warranty, and if such variation in the opinion of the Majority Lenders, acting reasonably, is materially adverse to the business, operations, results of operations, prospects, Assets, liabilities or financial condition of the Credit Parties, taken as a whole, or could reasonably be expected to result in a Material Adverse Effect, the Majority Lenders have approved such variation in accordance with Section 12.1.

ARTICLE 8 COVENANTS OF THE BORROWER

Section 8.1 Affirmative Covenants

So long as any amount owing under this Agreement remains unpaid or any Lender has any obligation under this Agreement, and unless consent is given in accordance with Section 12.1, the Borrower shall do the following:

- (a) **Financial Reporting.** Deliver to the Administrative Agent (with sufficient copies for each of the Lenders):
 - (i) as soon as practicable and in any event within 45 days after the end of each of the first three Financial Quarters in each Financial Year (x) a consolidated balance sheet of the Borrower as of the end of the Financial Quarter, and (y) the related consolidated statements of earnings and changes in financial position for the Financial Quarter and for the period commencing at the end of the previous Financial Year and ending with the end of the Financial Quarter; in each case (except for the statement of changes in financial position) setting forth in comparative form the figures for the corresponding Financial Quarter and corresponding portion of the previous Financial Year;
 - (ii) as soon as practicable and in any event within 90 days after the end of each Financial Year, a copy of the financial statements of the Borrower for the Financial Year prepared on a consolidated basis reported on by the Borrower's independent auditors; and
 - (iii) together with each delivery of consolidated financial statements of the Borrower, (A) a Compliance Certificate substantially in the form of Schedule 8.1(a) and (B) copies of the financial statements of the Subsidiaries used for purposes of preparing such consolidated financial statements.
- (b) **Accounts Receivable.** Deliver to the Administrative Agent (with sufficient copies for each of the Lenders) promptly on reasonable demand by the Administrative Agent (and in any event not less frequently than the 15th day of each month) in respect of the preceding month (i) a detailed statement and an ageing of the Financing Instrument Receivables of the Originators and such other details as the Administrative Agent may reasonably require, and (ii) a Borrowing Base Certificate substantially in the form of Schedule 8.1(b), calculated as of the last day of the preceding month;
- (c) **Environmental Reporting.** Promptly, and in any event within 10 days, deliver to the Administrative Agent (with sufficient copies for each of the Lenders) a detailed statement describing any of the following occurrences (including any action that has been taken): (i) any order or judgment of any Governmental Authority requiring the Borrower or any of the Subsidiaries to incur Environmental Liabilities (w) in excess of Cdn.

\$1,000,000 in any one instance, (x) together with all other expenditures incurred in respect of Environmental Liabilities in any Financial Year, in excess of Cdn. \$1,000,000 in the aggregate, and (ii) any state of affairs on any of the Subject Properties which could result in the incurrence of Environmental Liabilities (y) in excess of Cdn. \$1,000,000 in any one instance, or (z) together with all other expenditures incurred in respect of Environmental Liabilities in any Financial Year, in excess of Cdn. \$1,000,000 in the aggregate.

- (d) Additional Reporting Requirements. Deliver to the Administrative Agent (with sufficient copies for each of the Lenders):
- (i) as soon as practicable, and in any event within five Business Days after the occurrence of each Default or Event of Default, a statement of the chief financial officer of the Borrower or any other officer acceptable to the Administrative Agent setting forth the details of the Default or Event of Default and the action which the Borrower proposes to take or has taken;
 - (ii) from time to time upon request of the Administrative Agent, evidence of the maintenance of all insurance required to be maintained pursuant to this Agreement, including originals or copies as the Administrative Agent may request of policies, certificates of insurance, riders, endorsements and proof of premium payments;
 - (iii) promptly upon their issuance, copies of all notices, reports, press releases, circulars, offering documents and other material documents filed with, or delivered to, any stock exchange or the Ontario Securities Commission or a similar Governmental Authority in any other jurisdiction;
 - (iv) promptly upon becoming aware thereof, a notice of (A) the threat of, or commencement of, any strike or lockout, (B) any work stoppage or other labour dispute, (C) any breach, non-performance or default, in any material respect, of or under, any Material Agreement of the Borrower or any of the Subsidiaries, (D) any dispute, litigation, investigation, proceeding or suspension between the Borrower or any of the Subsidiaries and any Governmental Authority in excess of \$1,000,000, (E) and any other matter, in the case of clauses (B) through (E), to the extent that the same has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;
 - (v) not later than ten Business Days prior to the commencement of each Financial Year of the Borrower, a certificate of the chief financial officer or other senior officer of the Borrower accompanied by a consolidated budget for the Borrower and the Subsidiaries for such Financial Year, in form, substance and detail reasonably satisfactory to the Administrative Agent; and
 - (vi) such other information respecting the condition or operations, financial or otherwise, of the Business or the Borrower or any Subsidiary as the Administrative Agent, on behalf of the Lenders, may from time to time reasonably request;
- (e) Existence. Except as otherwise permitted in this Agreement, preserve and maintain, and cause each of the Subsidiaries to preserve and maintain, its corporate or partnership existence, as applicable;

- (f) Permitted Uses. Use the proceeds of the Accommodations hereunder only for the purposes permitted pursuant to Section 2.3;
- (g) Compliance with Applicable Laws, etc. Comply, and cause each of the Subsidiaries to comply, with the requirements of all Applicable Laws except where non-compliance with any such requirement of Applicable Law could not reasonably be expected to have a Material Adverse Effect;
- (h) Credit Policy and Accounts Receivable. Maintain, at all times, written credit policies consistent with good business practices, adhere to such policies and collect, and cause each of the Subsidiaries to collect, accounts receivable in the ordinary course of business;
- (i) Maintenance of Properties. Keep and maintain and cause each of the Subsidiaries to keep and maintain their respective Subject Properties including the Buildings and Fixtures comprising a part thereof in good operating condition and repair having regard to their use and age and make and cause each of the Subsidiaries to make all material repairs, renewals, replacements, additions and improvements to their respective Subject Properties including the Buildings and Fixtures comprising a part thereof and their other Assets, so that the Business and the Subsidiaries' respective businesses, as the case may be, may be properly and advantageously conducted at all times in accordance with prudent business management practice;
- (j) Material Agreements. Perform and observe, and cause each Subsidiary to perform and observe, in all material respects all terms and provisions of each Material Agreement to be performed or observed by it or such Subsidiary and maintain each Material Agreement in full force and effect, unless terminated in accordance with its terms, terminated for breach or default by the counterparty thereto, or if such Material Agreement is being replaced;
- (k) Payment of Taxes and Claims. Pay or cause to be paid and cause each Credit Party to pay or cause to be paid, when due, (i) all Taxes imposed upon it or upon its income, sales, capital or profit or any other Assets belonging to it or upon its subsidiaries before the same becomes delinquent or in default, and (ii) all claims which, if unpaid, might by Applicable Law become a Lien upon the Assets of the Borrower or any Subsidiary, except for any such Tax or claim which is being contested in good faith and by proper proceedings and in respect of which the Borrower or Subsidiaries have established adequate reserves in accordance with GAAP or which are Permitted Liens;
- (l) Keeping of Books. Keep, and cause each of the Subsidiaries to keep, (i) proper books of record and account, in which full and correct entries shall be made in respect of the Business or businesses, as the case may be, in accordance with GAAP (or such other accounting principles as are properly applicable to the subject Credit Party), and (ii) books and records pertaining to the Collateral in such detail, form and scope as the Administrative Agent or the Collateral Agent reasonably requires;
- (m) Visitation and Inspection. At any reasonable time or times, and as often as reasonably requested, permit each Lender and the Administrative Agent to visit the offices and properties of the Borrower and the Subsidiaries for purposes of examining the financial records and the Assets of the Borrower and the Subsidiaries and to make extracts from and copies of such financial records, to audit the Borrower, the Subsidiaries and the Collateral, and to discuss their affairs, finances and accounts with the senior officers of the Borrower and (in the presence of such representatives as it may designate) its auditors; provided that the Administrative Agent may perform additional audits, in the

Administrative Agent's discretion, at the Borrower's sole cost and expense, upon the occurrence of a Default or Event of Default or based upon the Administrative Agent's reasonable determination that there has been a material adverse change in the Borrower's business or condition (financial or otherwise) or the Collateral. In addition to and without limiting the foregoing, the Borrower will, and will cause each of the Subsidiaries to, permit the Administrative Agent to conduct (or cause to be conducted) an annual field exam at the Borrower's sole cost and expense;

- (n) **Maintenance of Insurance.** Maintain, in respect of itself and each of the Subsidiaries, insurance at all times with responsible insurance carriers and in such amounts and covering such risks as are usually carried by companies with established reputations engaged in similar businesses and owning similar Assets in the same general areas in which the Borrower or such Subsidiaries, as the case may be, operate, such policies, except in respect of any subsidiary that is established, created or acquired pursuant to Section 8.2(l)(ii), to show the Collateral Agent as additional insured on behalf of the Secured Creditors (in the case of liability insurance) and first loss payee under a mortgage clause in a form approved by the Insurance Bureau of Canada or the equivalent governing body of the United States of America, as applicable (in the case of property insurance). Such insurance, except in respect of insurance maintained by any Subsidiary that is established, created or acquired pursuant to Section 8.2(l)(ii), shall provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt by the Collateral Agent of written notice thereof;
- (o) **Security from New Subsidiaries.** Within 60 days of the direct or indirect formation or acquisition by the Borrower of a subsidiary other than an Excluded Subsidiary (until 60 days after such time, if any, as such subsidiary ceases to be an Excluded Subsidiary), the Borrower shall deliver or cause to be delivered:
 - (i) an unconditional guarantee of the obligations of the Borrower by such subsidiary in a form substantially similar to the guarantees previously delivered by the Subsidiaries;
 - (ii) such Security Documents and other documents (including financing statements, notices of security, consents, approvals, acknowledgements, undertakings, subordinations, discharges, waivers, directions, negotiable documents of title and other documents and instruments), and registrations with respect thereto, as the Administrative Agent determines, acting reasonably, are necessary or desirable in order to create a first priority perfected Lien (subject to those Permitted Liens which, under Applicable Law or as otherwise agreed to by the Majority Lenders, are to have priority and subject to customary collateral exclusions) in all Assets of such subsidiary and all Equity Interests in the capital of such subsidiary (including, to the extent such Equity Interests are certificated, delivery to the Collateral Agent of certificates evidencing Equity Interests along with appropriate stock powers of attorney in respect of any such Equity Interests); and
 - (iii) such corporate resolutions, certificates, legal opinions and such other documents and registrations as may be reasonably required by the Administrative Agent;

all such deliveries to be in form and substance satisfactory to the Administrative Agent, acting reasonably, with sufficient copies for each Lender;

- (p) Pension Plans.
 - (i) Deliver to the Administrative Agent within 30 days of filing with the applicable Governmental Authority, all actuarial valuations in respect of any Pension Plan. Make all contributions to all Pension Plans on or prior to when due; and
 - (ii) As soon as possible, and in any event within 30 days after any Credit Party knows or has reason to know that, regarding any Plan, an ERISA Event has occurred (whether or not the requirement for notice, if applicable, of such ERISA Event has been waived by the PBGC), deliver to the Administrative Agent a certificate of a responsible officer of such Credit Party setting forth the details of such ERISA Event, the action that the Credit Party proposes to take with respect thereto, and, when known, any action taken or threatened by any Governmental Authority;
- (q) Anti-Terrorism Laws. Promptly provide all information with respect to the Credit Parties, their respective directors, authorized signing officers, direct or indirect shareholders or other persons in control of the Credit Parties, including supporting documentation and other evidence, as may be reasonably requested by the Administrative Agent or any Lender, in order to comply with any applicable Anti-Terrorism Laws or such other applicable “know your client” laws and requirements, whether now or hereafter existence; and
- (r) Owned Properties. Promptly notify the Administrative Agent in the event that a Credit Party acquires any Owned Property.

Section 8.2 Negative Covenants.

So long as any amount owing under the Credit Agreement remains unpaid or any Lender has any obligation under this Agreement and, unless consent is given in accordance with Section 12.1, the Borrower shall not:

- (a) Debt. Create, incur, assume or suffer to exist or permit any of the Subsidiaries to create, incur, assume or suffer to exist any Debt except:
 - (i) Debt of the Borrower to the Lenders under this Agreement and Debt of any Credit Party under or secured by any Credit Document;
 - (ii) Debt incurred in respect of Capital Leases and Purchase Money Mortgages up to an aggregate outstanding amount, at any time, of \$1,000,000;
 - (iii) Debt of the Borrower or any Subsidiary to any other Subsidiary or of a Subsidiary to the Borrower, in each case, to the extent permitted in Section 8.2(i)(iii);
 - (iv) Guarantees (i) by the Borrower of Debt of any Subsidiary (other than Case Funding) permitted pursuant to this Section 8.2(a), and (ii) by any Subsidiary of Debt of the Borrower or any other Subsidiary (other than Case Funding) permitted pursuant to this Section 8.2(a), in each case, provided that to the extent the primary Debt is required to be subordinated, the Debt under such Guarantees is subordinated on the same terms;

- (v) Debt to Swap Counterparties under any Derivatives Agreement permitted pursuant to Section 8.2(k);
 - (vi) provided no Default or Event of Default exists and is continuing or would result therefrom, additional unsecured Debt not otherwise permitted pursuant to clauses (i) to (v) above in an amount not in excess of \$300,000 in the aggregate outstanding at any time;
 - (vii) Subordinated Debt not to exceed \$25,000,000 in the aggregate;
 - (viii) upon completion of the Rifco Acquisition, the currently outstanding \$10,500,000 principal amount unsecured subordinated debentures of Rifco, plus paid-in-kind interest; and
 - (ix) upon completion of the Waypoint Acquisition and for a period of up to 90 days thereafter, \$900,000 principal amount unsecured subordinated shareholder loans of Waypoint.
- (b) Liens. Create, incur, assume or suffer to exist, or permit any of the Subsidiaries to create, incur, assume or suffer to exist, any Lien on any of their respective Assets except Permitted Liens;
- (c) Mergers, Etc. Other than internal reorganization transactions solely involving Credit Parties, enter into, or permit any of the Subsidiaries to enter into, any reorganization, consolidation, amalgamation, arrangement, winding-up, merger or other similar transaction, except with the prior written consent of the Majority Lenders;
- (d) Disposal of Assets Generally. Dispose of, or permit any of the Subsidiaries to Dispose of, any Assets to any Person except:
 - (i) *bona fide* Dispositions of Assets in the ordinary course of the Business including, for greater certainty, Permitted Asset Financing Transactions;
 - (ii) Assets (other than Equity Securities in the capital of any Subsidiary) which have no material economic value in the Business or are obsolete;
 - (iii) Dispositions pursuant to a transaction permitted by Section 8.2(c); and
 - (iv) Dispositions between Credit Parties (other than Case Funding).
- (e) Transactions with Related Parties. Directly or indirectly, enter into or allow any Subsidiaries to enter into, any agreement with, make any financial accommodation for, or otherwise enter into any transaction with, (i) an Affiliate of the Borrower or Subsidiary, as applicable, (ii) any Person that directly or indirectly owns or controls Equity Securities of the Borrower or Subsidiary, as applicable, carrying more than 10% of the voting rights of the Borrower or such Subsidiary, (iii) any Affiliate of a Person described in clause (ii); (iv) any Person that is an officer or director of the Borrower or Subsidiary, as applicable, or of any Affiliate of such Person, or of any Person described in clause (ii) or (iii), or (v) any immediate family member of any of the foregoing, in each case, except (A) (where such agreement, accommodation or transaction would not otherwise be prohibited hereunder) in the ordinary course of, and pursuant to the reasonable requirements of, business and at prices and on terms not less favourable to the Borrower or the Subsidiary, as the case may be, than could be obtained in a comparable arm's length

transaction with another Person (including in such exception the existing related party agreements described in the Borrower's current annual information form as at the date of this Agreement) and (B) such agreement, accommodation or transaction between or among any of the Credit Parties not otherwise prohibited hereunder;

- (f) Change in Business. Make or permit any of the Subsidiaries to make any material change in the nature of the Business;
- (g) Share Capital. Permit any of the Subsidiaries to issue any Equity Securities, except a Subsidiary (other than Case Funding) may issue Equity Securities to the Borrower or another Subsidiary provided the Equity Securities (other than Equity Securities issued by an Excluded Subsidiary) have been pledged, and certificates representing the same together with stock transfer powers duly executed in blank have been delivered to the Collateral Agent, pursuant to the Security Documents;
- (h) Restricted Payments. Declare, make or pay or permit any Subsidiary to declare, make or pay any Restricted Payments in cash, except:
 - (i) the payment of salaries and bonuses by the Borrower to officers of the Borrower or by a Subsidiary to officers of such Subsidiary in their capacity as such in the ordinary course of business or as otherwise approved by the directors or compensation committee of the Borrower or such Subsidiary;
 - (ii) Restricted Payments from a Subsidiary to another Credit Party (other than Case Funding);
 - (iii) customary directors' fees, customary directors' and officers' indemnifications and similar arrangements for directors and officers of the Borrower (and for the sole advisor to the board of directors at the date of this Agreement providing for compensation in an amount similar to that provided to directors) or any Subsidiary entered into in the ordinary course of business provided such fees, indemnifications and arrangements are reasonable and consistent with market practice;
 - (iv) provided that no Default or Event of Default has occurred and is continuing or could result therefrom, (i) the cash dividends that the Borrower may pay on its Equity Securities, (ii) the payments that Subsidiaries may pay to Persons other than other Credit Parties on Exchangeable Shares, (iii) payments that the Borrower may pay pursuant to the NCIB, (iv) payments to the Minority Vault Home Shareholder with respect to its Equity Securities of Vault Home in accordance with the Vault Home Shareholder Agreement, (v) payments to the Minority Holdco Shareholders with respect to its Equity Securities of Chesswood/Vault Holdco in accordance with the Chesswood/Vault Holdco Shareholder Agreement, and (vi) cash payments pursuant to the Special Warrant Agreement, in respect of a month shall be, in the aggregate, a maximum of 1/12 of 90% of Free Cash Flow for the most recently completed four Financial Quarters in respect of which the Borrower has publicly filed its financial statements (including its annual financial statements in respect of a fourth quarter). For the avoidance of doubt, each of the four Financial Quarters contemplated in such calculations shall, in each case, be weighted equally in such calculations.

- (i) Investments. Make or permit any of the Subsidiaries to make, any Investment in any Person, except:
 - (i) in the ordinary course of the Business;
 - (ii) (A) purchases by the Borrower of Equity Securities of a Guarantor (other than Case Funding) or by a Guarantor of Equity Securities of another Guarantor (other than Case Funding); and (B) subject to Section 8.2(h)(iv), purchases by the Borrower of its Equity Securities pursuant to the NCIB;
 - (iii) intercompany loans made by the Borrower to a Guarantor or by a Guarantor to the Borrower or another Guarantor; provided that (i) the aggregate amount of intercompany loans by the Borrower or a Guarantor to Case Funding shall at no time exceed \$1,750,000 and (ii) any intercompany loans made by a Guarantor to the Borrower shall be subordinated and postponed to repayment in full of all Credit Obligations (provided that if no Default or Event of Default shall have occurred which is continuing or would result therefrom, payments may be made on such intercompany loans at any time);
 - (iv) Guarantees by the Borrower of any Credit Party (other than Case Funding) or by any Subsidiary (other than Case Funding) of the Borrower or any other Credit Party (other than Case Funding) (A) of Debt permitted pursuant to Section 8.2(a)(iv) or (B) otherwise constituting an Investment in another Credit Party (other than, except in the case of Guarantees constituting Credit Documents, Case Funding);
 - (v) Investments in existence on the date of this Agreement and described in Schedule 8.2(i)(v);
 - (vi) Investments in Cash Equivalents;
 - (vii) Investments in Excluded Subsidiaries;
 - (viii) Investments in Vault Home in accordance with the Vault Home Contribution Agreement, in an amount not to exceed \$2,500,000 in the aggregate (for avoidance of doubt, such Investments have been previously approved by the Existing Lenders under the Existing Credit Agreement).
- (j) Lease-Backs. Enter into or permit any of the Subsidiaries to enter into any arrangements, directly or indirectly, with any Person, whereby the Borrower or such Subsidiary, shall sell or transfer any Asset in connection with the rental or lease of the Asset so sold or transferred or of other Assets for substantially the same purposes as the Asset so sold or transferred;
- (k) Derivatives Agreements. Enter into or suffer to exist or permit any of the Subsidiaries to enter into or suffer to exist any Derivatives Agreement other than a Derivatives Agreement between the Borrower or any Subsidiary and any other Person designed to protect the Borrower or such Subsidiary, as applicable, against fluctuations in currency exchange or interest rates, in each case, entered into by the Borrower or such Subsidiary, as applicable, in the ordinary course of, and pursuant to the reasonable requirements of its business, and not for speculative investment or on a margined basis;

- (l) **Subsidiaries.** Incorporate or acquire any subsidiaries or commence to carry on the Business otherwise than through the Borrower and the Subsidiaries existing as of the date of this Agreement except (i) any of the Borrower and the Subsidiaries may establish, create or acquire, and carry on business through, one or more wholly-owned subsidiaries provided the Borrower has complied with Section 8.1(o), (ii) any of the Borrower and the Subsidiaries may establish, create or acquire, and carry on business through, Excluded Subsidiaries. For greater certainty, any of the Borrower and the Subsidiaries may incorporate, create or acquire SPV Subsidiaries.
- (m) **Capital Expenditures.** Make or commit to make, or permit any of the Subsidiaries to make or commit to make, in any rolling twelve (12) month period any Capital Expenditures exceeding in the aggregate for the Borrower and the Subsidiaries \$2,000,000, unless such Capital Expenditures are financed by way of proceeds of insurance;
- (n) **Change of Auditors.** Change its auditors, other than to another nationally recognized firm which also meets the criteria under Applicable Law to serve as auditor of a publicly listed company;
- (o) **Financial Year.** Change its Financial Year;
- (p) **Amendments.**
 - (i) Make or permit to be made, or permit any Subsidiary to make or permit to be made, any amendments to any Material Agreement if such amendments could reasonably be expected to have a Material Adverse Effect or to be adverse to the interests of the Lenders under the Credit Documents;
 - (ii) (A) Amend or change or permit any Subsidiary (other than an Excluded Subsidiary) to amend or change any of its constating documents; provided that any Originator may, without limiting its obligation to provide notice of such change in accordance with the Security Documents, change its legal name to a name that includes, or is akin to the word "Chesswood"; or (B) enter into or permit any Subsidiary to enter into any agreement with respect to its Equity Securities, except where such amendment, change or new agreement is not adverse to the interests of the Lenders under the Credit Documents;
- (q) **Contaminants, etc.**
 - (i) Permit or permit any Subsidiary to permit any asbestos, asbestos-containing materials, PCBs, radioactive substances or any other contaminants which could be the subject of a clean-up order to be located in, on, at, under or about any of the Subject Properties (unless required in the ordinary course of the Business and provided such contaminants are handled in compliance with applicable Environmental Laws);
 - (ii) Permit or permit any Subsidiary to permit any underground storage systems to be located or installed at any of the Subject Properties;
- (r) **Portfolio Concentration Limitations.** The Borrower will not permit, measured on a rolling three-month basis: (i) Eligible Commercial Financing Instrument Receivables of Pawnee due from Account Debtors (whether lessees or borrowers) located in any single state to exceed 20% of Eligible Commercial Financing Instrument Receivables of Pawnee;

- (ii) Eligible Commercial Financing Instrument Receivables of Pawnee due from Account Debtors (whether lessees or borrowers) located in the top five states in respect of Eligible Commercial Financing Instrument Receivables of Pawnee to exceed 50% of Eligible Commercial Financing Instrument Receivables of Pawnee; (iii) Eligible Commercial Financing Instrument Receivables of Pawnee originated by a single broker to exceed 20% of Eligible Commercial Financing Instrument Receivables of Pawnee; or (iv) Eligible Commercial Financing Instrument Receivables of Pawnee originated from the top five brokers to exceed 50% of Eligible Commercial Financing Instrument Receivables of Pawnee;
- (s) Compliance With Anti-Terrorism Regulations. The Borrower will not, and will not permit any of the Subsidiaries to:
- (i) (x) violate any Anti-Terrorism Laws, (y) engage in any transaction, (ii) investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of prohibited offenses designated by the Organization for Economic Co-operation and Development's Financial Action Task Force on Money Laundering or (z) permit any of their respective Affiliates to violate these laws or engage in these actions;
 - (ii) use, directly or indirectly, the proceeds of any Borrowing or Documentary Credit, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (x) to fund any prohibited activities or business of or with any Person, or in any country or territory, that, is, or whose government is, the subject of Sanctions at the time of such funding, or (y) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the transactions contemplated hereby, whether as Lender, Administrative Agent, Collateral Agent, Issuing Bank or otherwise); and
 - (iii) (x) deal in, or otherwise engage in any transaction related to, any property or interests in property blocked pursuant to any Anti-Terrorism Law, (y) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempt to violate, any of the prohibitions set forth in any Anti-Terrorism Law or (z) permit any of their respective Affiliates to do any of the foregoing.
- (t) Amendments to Credit Policies. The Borrower will not make, and will not permit any of the Subsidiaries to make, without the prior written consent of the Administrative Agent, any material amendments to any credit and collection policies of any Originator, provided that a copy of all amendments shall be promptly delivered by the Borrower to the Administrative Agent on behalf of the Lenders.
- (u) Anti-Hoarding. The Borrower will not use the proceeds of any Accommodation to accumulate or maintain, or otherwise accumulate or maintain, cash or cash equivalents in one or more depository or investment accounts maintained by or on behalf of the Borrower or any of its Subsidiaries (or otherwise accumulate and maintain the same in some other manner) if the aggregate amount of cash and cash equivalents between all such parties would be greater than Cdn. \$20,000,000 in aggregate; but excluding therefrom cash or cash equivalents required to be maintained in connection with a Permitted Asset Financing Transaction. The Borrower will apply any such cash and cash

equivalents in excess of Cdn. \$20,000,000 in order to repay Accommodations Outstanding within 3 Business Days of the last Business Day of each calendar month.

Section 8.3 Financial Covenants.

So long as any amount owing under this Agreement remains unpaid or any Lender has any obligation under this Agreement, and unless consent is given in accordance with Section 12.1, the Borrower shall:

- (a) Maintenance of Leverage Ratio. Maintain, at all times, a Leverage Ratio of not more than 4.0:1;
- (b) Maintenance of Adjusted Leverage Ratio. Maintain, at all times, an Adjusted Leverage Ratio of not more than 4.0:1;
- (c) Delinquency. Not permit the Three Month Average Delinquency Amount as of the last day of any calendar month (each such month end date, a "Determination Date") to exceed the product of the aggregate outstanding amount of all Financing Instrument Receivables of the Originators on such Determination Date multiplied by 0.03. For purposes of this Section 8.3(c), (a) the term "Three Month Average Delinquency Amount" with respect to any Determination Date means (x) the sum of (i) the Delinquency Amount as of such Determination Date, plus (ii) the Delinquency Amount as of the last day of the calendar month immediately preceding such Determination Date (the "First Prior Date"), plus (iii) the Delinquency Amount as of the last day of the calendar month immediately preceding such First Prior Date, divided by (y) three; and (b) the term "Delinquency Amount" with respect to any date of determination means the total amount of Financing Instrument Receivables of the Originators that were 94 or more days past due on such date;
- (d) CFADS Ratio. Maintain, at all times commencing January 1, 2024, a CFADS Ratio of not less than 1.70:1, calculated as at the end of each Financial Quarter (commencing with the Financial Quarter ending March 31, 2024) for the Financial Quarter or period of Financial Quarters then ended, as applicable.

For purposes of this Section 8.3(d), "CFADS Ratio" means, for any Financial Quarter, the ratio of Cash Flows Available for Debt Service for such Financial Quarter (or a specified period of Financial Quarters, as applicable) to the sum of (i) Consolidated Interest Charges and (ii) the actual interest attributable in respect of convertible debentures, for such Financial Quarter (or a specified period of Financial Quarters, as applicable).

Notwithstanding the foregoing, the CFADS Ratio will be determined for each Financial Quarter on a cumulative rolling basis until such time as the CFADS Ratio is calculated for each Financial Quarter for the period of four Financial Quarters then ended (ie. for the Financial Quarter ended March 31, 2024, the CFADS Ratio will be determined for the period that includes the December 31, 2023 and March 31, 2024 Financial Quarters; for the Financial Quarter ended June 30, 2024, the CFADS Ratio will be determined for the period that includes the Financial Quarters ended December 31, 2023, March 31, 2024 and June 30, 2024; for the Financial Quarter ended September 30, 2024, and for each Financial Quarter thereafter, the CFADS Ratio will be determined for the period of four Financial Quarters ending on the last day of such Financial Quarter); and

- (e) Revenue and EBIT Forecast. Maintain, for each month, revenue and Consolidated EBIT of not less than 80% of the revenue and Consolidated EBIT specified for each such month in the Monthly Forecast.

Section 8.4 Additional Covenants.

Notwithstanding any other provision in this Agreement to the contrary, at all times, the Borrower agrees as follows:

- (a) Restricted Payments. Notwithstanding Section 8.2(h)(iv), the Borrower shall not declare, make or pay or permit any Subsidiary to declare, make or pay any cash dividends on any of its Equity Securities.
- (b) Enhanced Reporting. The Borrower will provide such additional reporting as may be reasonably requested by the Administrative Agent from time to time, including a monthly comparison of projected vs. actual cash collections and cash flow of the Borrower and its Subsidiaries (including expenses) and monthly reporting of delinquencies and defaults/charge-offs, the form of which is attached hereto as Schedule 8.4(b).
- (c) Additional Enhanced Reporting. Without limiting the obligations of the Borrower under Section 8.4(b), the Borrower will provide (i) a summary of the fundings under each Permitted Asset Financing Transaction within 20 days of the end of each month; (ii) monthly financial statements and confirmation of compliance with the covenants set forth in Section 8.3(e) within 30 days of the end of each month; and (iii) notice of each funding under the Permitted Asset Financing Transaction with Wafra Inc., together with details on the use of proceeds from such funding, within 3 Business Days of each such funding.

ARTICLE 9 CHANGES IN CIRCUMSTANCES

Section 9.1 Increased Costs.

(1) If any Change in Law shall:

- (a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;
- (b) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement, any Accommodation made by it or any participation by it in any Accommodation, or change the basis of taxation of payments to such Lender in respect thereof, except for Indemnified Taxes indemnifiable under Section 9.2 and the imposition, or any change in the rate, of any Excluded Tax payable by such Lender; or
- (c) impose on any Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement, Accommodations made by such Lender or Accommodations in which such Lender has a participation interest;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing, maintaining, issuing or participating in any Accommodation (or of maintaining its obligation to make, issue or participate in any such Accommodation), or to reduce

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

- (2) If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Accommodations made, issued or participated in, by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of its holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.
- (3) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in Section 9.1(1) or Section 9.1(2), including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.
- (4) Failure or delay on the part of any Lender to demand compensation pursuant to this Section 9.1 shall not constitute a waiver of such Lender's right to demand such compensation, except that the Borrower shall not be required to compensate a Lender pursuant to this Section 9.1 for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefore, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the nine-month period referred to above shall be extended to include the period of retroactive effect thereof.
- (5) The provisions of this Section 9.1 shall survive the termination of this Agreement and the repayment of all Accommodations Outstanding.

Section 9.2 Taxes.

- (1) If the Borrower, any Agent or any Lender is required by Applicable Law to deduct or pay any Indemnified Taxes in respect of any payment by or on account of any obligation of the Borrower hereunder or under any other Credit Document, then (i) the sum payable shall be increased by the Borrower when payable as necessary so that after making or allowing for all required deductions and payments for Indemnified Taxes (including deductions and payments applicable to additional sums payable under this Section 9.2), the Agents or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments for Indemnified Taxes been required, (ii) the Borrower shall make any such deductions required to be made by it under Applicable Law and (iii) the Borrower shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.
- (2) Without limiting the provisions of Section 9.2(1) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.
- (3) The Borrower shall indemnify each Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or

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

- (4) As soon as practicable after any payment of Indemnified Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment satisfactory to the Administrative Agent.
- (5) Any Foreign Lender that is entitled to an exemption from or reduction of withholding Tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Credit Document shall, at the request of the Borrower or the Administrative Agent, deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to withholding or information reporting requirements.
- (6) If an Agent or a Lender determines, in its sole discretion, that it has received a refund of any Indemnified Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 9.2 it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 9.2 with respect to the Indemnified Taxes giving rise to such refund), net of all expenses (including Taxes) of such Agent or such Lender, as the case may be, and without interest (other than any net after Tax interest paid by the relevant Governmental Authority with respect to such refund). The Borrower, upon the request of such Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Agent or such Lender if such Agent or such Lender is required to repay such refund to such Governmental Authority. This Section 9.2(6) shall not be construed to require any Agent or any Lender to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person, to arrange its affairs in any particular manner or to claim any available refund.
- (7) The provisions of this Section 9.2 shall survive the termination of this Agreement and the repayment of all Accommodations Outstanding.

Section 9.3 Mitigation Obligations; Replacement of Lenders.

- (1) If any Lender requests compensation under Section 9.1, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 9.2, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Accommodations hereunder or to assign its rights and obligations hereunder to another of its offices, branches or

Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 9.1 or Section 9.2, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

- (2) If any Lender requests compensation under Section 9.1 or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 9.2, and in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 9.3(1), or if any Lender's obligations are suspended pursuant to Section 9.4 or if any Lender becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort and provided no Event of Default has occurred and is continuing, upon 10 days' notice to such Lender and the Administrative Agent, either (i) repay all outstanding Accommodations Outstanding due to such Lender (or such portion which has not been assumed pursuant to clause (b) below) and terminate the Commitments of such Lender, or (ii) require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.6), all of its interests, rights (other than its existing rights to payments pursuant to Section 9.1 or Section 9.2) and obligations under this Agreement and the related Credit Documents to an Eligible Assignee that shall assume such obligations, provided that:
- (a) the Borrower pays the Administrative Agent the assignment fee specified in Section 12.6(2)(f);
 - (b) the assigning Lender receives payment of an amount equal to the principal amount of its Accommodations Outstanding, accrued interest thereon, accrued Fees and all other Credit Obligations payable to it (including any breakage costs and other amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the assignee (to the extent of such outstanding principal amount and accrued interest and Fees) or the Borrower (in the case of all other amounts);
 - (c) in the case of any such assignment resulting from a claim for compensation under Section 9.1 or payments required to be made pursuant to Section 9.2, such assignment will result in a reduction in such compensation or payments thereafter;
 - (d) such assignment does not conflict with Applicable Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Section 9.4 Illegality.

If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain, issue or participate in, any Accommodation (or to maintain any such obligation to make, issue or participate in any Accommodation), or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if conversion would avoid the activity that

is unlawful, convert any Accommodations, or take any necessary steps with respect to any Accommodation, in order to avoid the activity that is unlawful. Each Lender agrees to notify the Administrative Agent and the Borrower in writing promptly upon becoming aware that it is no longer illegal for such Lender to make, maintain, issue or participate in, such Accommodation. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted and any applicable breakage costs. Each Lender agrees to designate a different lending office if such designation will avoid the need for such notice and will not otherwise be disadvantageous to such Lender.

~~Section 9.5 Circumstances Making Bankers Acceptances Unavailable.~~

- ~~(1) If, at any time, the Administrative Agent determines (acting reasonably) that there is no market for bankers' acceptances for the term requested by the Borrower or at all or that the Lenders cannot for other reasons, after reasonable efforts, readily sell bankers' acceptances or perform their other obligations under this Agreement with respect to bankers' acceptances, (i) the right of the Borrower to request a Drawing shall be suspended until the circumstances causing a suspension no longer exist, and (ii) any Drawing Notice which is outstanding shall be cancelled and the requested Drawing shall not be made.~~
- ~~(2) The Administrative Agent shall promptly notify the Borrower of the suspension of the Borrower's right to request a Drawing and of the termination of any suspension.~~

Section 9.5 ~~Section 9.6~~ Canadian Benchmark Replacement Provisions.

Notwithstanding anything to the contrary herein or in any other Credit Document (and any Derivatives Agreement shall be deemed not to be a "Credit Document" for purposes of this Section):

- ~~(a) Replacing CDOR. On May 16, 2022 Refinitiv Benchmark Services (UK) Limited ("RBSL"), the administrator of CDOR, announced in a public statement that the calculation and publication of all tenors of CDOR will permanently cease immediately following a final publication on Friday, June 28, 2024. On the date that all Canadian Available Tenors of CDOR have either permanently or indefinitely ceased to be provided by RBSL (the "CDOR Cessation Date"), if Canadian Benchmark Replacement. If a Canadian Benchmark Transition Event and its related Canadian Benchmark Replacement Date have occurred prior any setting of the then-current Canadian Benchmark ~~is CDOR,~~ the, then (x) if a Canadian Benchmark Replacement is determined in accordance with clause (a) of the definition of "Canadian Benchmark Replacement" for such Canadian Benchmark Replacement Date, such Canadian Benchmark Replacement will replace such Canadian Benchmark for all purposes hereunder and under any Credit Document in respect of ~~any setting of~~ such Canadian Benchmark ~~on such day and all setting and~~ subsequent Canadian Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document. ~~If the and (y) if a~~ Canadian Benchmark Replacement is Daily Compounded CORRA, all interest payments will be payable on a monthly basis.~~
- ~~(b) determined in accordance with clause (b) of Replacing Future Canadian Benchmarks. Upon the occurrence of a Canadian Benchmark Transition Event, the the definition of "Canadian Benchmark Replacement" for such Canadian Benchmark Replacement Date, such Canadian Benchmark Replacement will replace ~~the then-current~~ such Canadian Benchmark for all purposes hereunder and under any Credit Document in respect of any Canadian Benchmark setting at or after 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date notice of such Canadian Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Canadian Benchmark~~

Replacement from Lenders comprising the Majority Lenders. ~~At any time that the administrator of the then-current Canadian Benchmark has permanently or indefinitely ceased to provide such Canadian Benchmark or such Canadian Benchmark has been announced by the administrator or the regulatory supervisor for the administrator of such Canadian Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Canadian Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any request for a borrowing of, conversion to or continuation of Accommodations to be made, converted or continued that would bear interest by reference to such Canadian Benchmark until the Borrower's receipt of notice from the Administrative Agent that a Canadian Benchmark Replacement has replaced such Canadian Benchmark, and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Canadian Prime Rate Advances. During the period referenced in the foregoing sentence, the component of Canadian Prime Rate based upon the Canadian Benchmark will not be used in any determination of the Canadian Prime Rate. If the Canadian Benchmark Replacement is Adjusted Daily Compounded CORRA, all interest payments will be payable on the last day of each Interest Period.~~

- (b) ~~(e)~~ *Canadian Benchmark Replacement Conforming Changes.* In connection with the ~~implementation and use,~~ administration, adoption or implementation of a Canadian Benchmark Replacement, the Administrative Agent will have the right to make such Canadian Benchmark Replacement Conforming Changes from time to time in consultation with the Borrower and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Canadian Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document.
- (c) ~~(d)~~ *Notices; Standards for Decisions and Determinations.* The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Canadian Benchmark Replacement; and (ii) ~~any occurrence of a Term CORRA Transition Event, and (iii)~~ the effectiveness of any such Canadian Benchmark Replacement Conforming Changes; ~~and (iv) by delivering a BA Cessation Notice pursuant to clause (g) of this Section, its intention to terminate the obligation of the Lenders to make or maintain Bankers' Acceptances in connection with the use, administration, adoption or implementation of a Canadian Benchmark Replacement. The Administrative Agent will notify the Borrower of (x) the removal or reinstatement of any tenor of a Canadian Benchmark pursuant to Section 9.5(d) and (y) the commencement of any Canadian Benchmark Unavailability Period.~~ Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section; 9.5 including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party ~~hereto to this Agreement or any other Credit Document~~, except, in each case, as expressly required pursuant to this Section 9.5.
- (d) ~~(e)~~ *Unavailability of Tenor of Canadian Benchmark.* ~~At Notwithstanding anything to the contrary herein or in any other Credit Document, at~~ any time (including in connection with the implementation of a Canadian Benchmark Replacement), ~~(i) if the then-current Canadian Benchmark is a term rate (including Term CORRA or CDOR), then (i)) and either (A) any tenor for such Canadian Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by~~ the

Administrative Agent ~~may remove any tenor~~ in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Canadian Benchmark ~~that is has provided a public statement or publication of information announcing that any tenor for such Canadian Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Canadian Benchmark settings at or after such time to remove such unavailable or non-representative~~ for tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Canadian Benchmark (including a Canadian Benchmark Replacement) settings and ~~(ii) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Canadian Benchmark (including a Canadian Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Canadian Benchmark settings at or after such time to~~ reinstate any ~~such previously removed tenor for Canadian Benchmark (including Canadian Benchmark Replacement) settings.~~

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

~~(f) Secondary Term CORRA Conversion.~~ Notwithstanding anything to the contrary herein or in any Credit Document and subject to the proviso below in this clause, if a Term CORRA Transition Event and its related Term CORRA Transition Date have occurred, then on and after such Term CORRA Transition Date (i) the Canadian Benchmark Replacement described in clause (1)(a) of such definition will replace the then-current Canadian Benchmark for all purposes hereunder or under any Credit Document in respect of any setting of such Canadian Benchmark on such day and all subsequent settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document; and (ii) each Advance outstanding on the Term CORRA Transition Date bearing interest based on the then-current Canadian Benchmark shall convert, at the start of the next interest payment period, into an Advance bearing interest at the Canadian Benchmark Replacement described in clause (1)(a) of such definition having a tenor approximately the same length as the interest payment period applicable to such Advance immediately prior to the conversion or such other Canadian Available Tenor as may be selected by the Borrower and agreed by the Administrative Agent; provided that, this clause (f) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term CORRA Notice, and so long as the Administrative Agent has not received, by 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date of the Term CORRA Notice, written notice of objection to such conversion to Term CORRA from Lenders comprising the Majority Lenders or the Borrower.

~~(g) Bankers' Acceptances.~~ The Administrative Agent shall have the option to, effective as of the date set out in the BA Cessation Notice, which shall be a date on or after the CDOR Cessation Date (the "BA Cessation Effective Date"), terminate the obligation of the Lenders to make or maintain Bankers' Acceptances, provided that the Administrative Agent shall give notice to the Borrower and the Lenders at least thirty (30) Business Days prior to the BA Cessation Effective Date ("BA Cessation

Notice"). If the BA Cessation Notice is provided, then as of the BA Cessation Effective Date, so long as the Administrative Agent has not received, by 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date of the BA Cessation Notice, written notice of objection to the termination of the obligation to make or maintain Bankers' Acceptances from Lenders comprising the Majority Lenders, (i) any Accommodation Notice that requests the conversion of any Accommodation to, or rollover of any Accommodations as, a Bankers' Acceptance shall be ineffective, and (ii) if any Accommodation Notice requests a Bankers' Acceptance, such Accommodation shall be made as a CORRA Advance of the same tenor. For the avoidance of doubt, any outstanding Bankers' Acceptance shall remain in effect following the CDOR Cessation Date until such Bankers' Acceptance's stated maturity.

(h) Definitions:

"~~Canadian Available Tenor~~" means, as of any date of determination and with respect to the then-current Canadian Benchmark, as applicable, (x) if the ~~then-current Canadian Benchmark~~ is a term rate, any tenor for such Canadian Benchmark that is or may be used for determining the length of an ~~Interest Period~~ or (y) otherwise, any payment period for interest calculated with reference to such Canadian Benchmark, as applicable, pursuant to this Agreement as of such date.

"~~Canadian Benchmark~~" means, initially, CDOR; provided that if a replacement of the Canadian Benchmark has occurred pursuant to this Section titled "~~Canadian Benchmark Replacement Setting~~", then "~~Canadian Benchmark~~" means the applicable Canadian Benchmark Replacement to the extent that such Canadian Benchmark Replacement has replaced such prior Canadian Benchmark rate. Any reference to "~~Canadian Benchmark~~" shall include, as applicable, the published component used in the calculation thereof.

"~~Canadian Benchmark Replacement~~"; means, for any Canadian Available Tenor:

(1) For purposes of clause (a) of this Section, the first alternative set forth below that can be determined by the Administrative Agent:

(a) the sum of: (i) Term CORRA and (ii) 0.29547% (29.547 basis points) for a Canadian Available Tenor of one month's duration, and 0.32138% (32.138 basis points) for a Canadian Available Tenor of three months' duration; or

(b) the sum of: (i) Daily Compounded CORRA and (ii) 0.29547% (29.547 basis points) for a Canadian Available Tenor of one month's duration, and 0.32138% (32.138 basis points) for a Canadian Available Tenor of three months' duration; and

(2) For purposes of clause (b) of this Section, the sum of (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Administrative Agent and the Borrower as the replacement for such Canadian Available Tenor of such Canadian Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Canadian Governmental Body, for Canadian dollar-denominated syndicated credit facilities at such time;

provided that, if the Canadian Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than 0.00%, the Canadian Benchmark Replacement will be deemed to be 0.00% for the purposes of this Agreement and the other Credit Documents.

"~~Canadian Benchmark Replacement Confirming Changes~~" means, with respect to any Canadian Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "~~Canadian Prime Rate~~," the definition of "~~Business Day~~," the definition of "~~Interest Period~~,"

~~the definition of “Bankers’ Acceptance”, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters, including with respect to the obligation of the Administrative Agent and the Lenders to create, maintain or issue Bankers’ Acceptances) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Canadian Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Canadian Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Credit Documents). Without limiting the foregoing, Canadian Benchmark Replacement Conforming Changes made in connection with the replacement of CDOR with a Canadian Benchmark Replacement may include the implementation of mechanics for borrowing loans that bear interest by reference to the Canadian Benchmark Replacement, to replace the creation or purchase of drafts or Bankers’ Acceptances.~~

~~“Canadian Benchmark Transition Event” means, with respect to any then-current Canadian Benchmark other than CDOR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Canadian Benchmark, the regulatory supervisor for the administrator of such Canadian Benchmark, the Bank of Canada, an insolvency official with jurisdiction over the administrator for such Canadian Benchmark, a resolution authority with jurisdiction over the administrator for such Canadian Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Canadian Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Canadian Available Tenors of such Canadian Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Canadian Available Tenor of such Canadian Benchmark or (b) all Canadian Available Tenors of such Canadian Benchmark are or will no longer be representative of the underlying market and economic reality that such Canadian Benchmark is intended to measure and that representativeness will not be restored.~~

~~“CDOR” means the Canadian Dollar rate for bankers’ acceptance borrowings known as the Canadian Dollar Offered Rate provided by RBSL, as the administrator of the benchmark (or a successor administrator).~~

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

~~“CORRA Advance” means an Advance made by the Lenders to the Borrower in Canadian Dollars on which interest is payable at a rate equal to the Canadian Benchmark plus the Applicable Rate in accordance with Article 3.~~

~~“Daily Compounded CORRA” means, for any Business Day in an interest payment period, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Administrative Agent in accordance with the methodology and conventions for this rate selected or recommended by the Relevant Canadian Governmental Body for determining compounded CORRA for business loans; provided that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published CORRA and a Canadian Benchmark Transition Event with respect to CORRA has not~~

occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

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

"Term CORRA" means, for the applicable corresponding tenor, the forward-looking term rate based on CORRA that has been selected or recommended by the Relevant Canadian Governmental Body, and that is published by an authorized benchmark administrator and is displayed on a screen or other information service, as identified or selected by the Administrative Agent in its reasonable discretion at approximately a time and as of a date prior to the commencement of an Interest Period determined by the Administrative Agent in its reasonable discretion in a manner substantially consistent with market practice.

"Term CORRA Notice" means the notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term CORRA Transition Event.

"Term CORRA Transition Date" means, in the case of a Term CORRA Transition Event, the date that is set forth in the Term CORRA Notice provided to the Lenders and the Borrower, for the replacement of the then-current Canadian Benchmark with the Canadian Benchmark Replacement described in clause 1(a) of such definition, which date shall be at least thirty (30) Business Days from the date of the Term CORRA Notice.

"Term CORRA Transition Event" means the determination by the Administrative Agent that (a) Term CORRA has been recommended for use by the Relevant Canadian Governmental Body, and is determinable for any Canadian Available Tenor, (b) the administration of Term CORRA is administratively feasible for the Administrative Agent and (c) a Canadian Benchmark Replacement, other than Term CORRA, has replaced CDOR in accordance with paragraph (a) of the Section titled "Canadian Benchmark Replacement Setting".

Section 9.6 Inability to Determine CORRA Rates

(a) Subject to Section 9.5, if, on or prior to the first day of any Interest Period for any Term CORRA Loan or Daily Compounded CORRA Loan, as applicable:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that "Adjusted Term CORRA" or "Adjusted Daily Compounded CORRA", as applicable, cannot be determined pursuant to the definition thereof, for reasons other than a Canadian Benchmark Transition Event, or

(ii) the Majority Lenders determine that for any reason in connection with any request for a Term CORRA Advance or Daily Compounded CORRA Advance, as applicable, or a conversion thereto or a continuation thereof that Term CORRA or Daily Compounded CORRA, as applicable, for any requested Interest Period with respect to a proposed Term CORRA Advance or Daily Compounded CORRA Advance, as applicable, does not adequately and fairly reflect the cost to such Lenders of making and maintaining such Advance, and the Majority Lenders have provided notice of such determination to the Administrative Agent,

the Administrative Agent will promptly so notify the Borrower and each Lender.

- (b) Upon delivery of such notice by the Administrative Agent to the Borrower under Section 9.6(a), any obligation of the Lenders to make Term CORRA Advances or Daily Compounded CORRA Advances, as applicable, and any right of the Borrower to continue Term CORRA Advances or Daily Compounded CORRA Advances, as applicable, or to convert Canadian Prime Rate Loans to Term CORRA Advances or Daily Compounded CORRA Advances, as applicable, shall be suspended (to the extent of the affected Term CORRA Advances or Daily Compounded CORRA Advances, as applicable, or affected Interest Periods) until the Administrative Agent (with respect to clause (ii), at the instruction of the Majority Lenders) revokes such notice.
- (c) Upon receipt of such notice by the Administrative Agent to the Borrower under Section 9.6(a), (i)(x) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of Term CORRA Advances or Daily Compounded CORRA Advances, as applicable, (to the extent of the affected Term CORRA Advances or Daily Compounded CORRA Advances, as applicable, or affected Interest Periods); (y) in respect of Term CORRA Advances, the Borrower may elect to convert any such request into a request for a Borrowing of or conversion to Daily Compounded CORRA Advances; or, failing such revocation or election, (z) the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Canadian Prime Rate Advances, in the amount specified therein and (ii) (x) in respect of Term CORRA Advances, the Borrower may elect to convert any outstanding affected Term CORRA Advances at the end of the applicable Interest Period, into Daily Compounded CORRA Advances, and (y) otherwise, or failing such election, any outstanding affected Term CORRA Advances or Daily Compounded CORRA Advances, as applicable, will be deemed to have been converted, at the end of the applicable Interest Period, into Canadian Prime Rate Advances. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts in respect of such CORRA Advance required pursuant to Section 3.6.

Section 9.7 Benchmark Replacement Provisions.

- (1) *Benchmark Replacement.* Notwithstanding anything to the contrary herein or in any other Credit Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Majority Lenders.
- (2) *Benchmark Replacement Conforming Changes.* In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Conforming

Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document.

- (3) *Notices; Standards for Decisions and Determinations.* The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 9.7(4). Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 9.7, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Credit Document, except, in each case, as expressly required pursuant to this Section 9.7.
- (4) *Unavailability of Tenor of Benchmark.* Notwithstanding anything to the contrary herein or in any other Credit Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the administrator of such Benchmark or the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks (the "IOSCO Principles"), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable, non-representative, non-compliant or non-aligned tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative or in compliance with or aligned with the IOSCO Principles for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.
- (5) *Benchmark Unavailability Period.* Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a SOFR Rate Advance of, conversion to or continuation of SOFR Rate Advances to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to U.S. Prime Rate Advances. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of U.S. Prime Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the U.S. Prime Rate.

ARTICLE 10 EVENTS OF DEFAULT

Section 10.1 Events of Default.

The occurrence of any one or more of the following events shall constitute an event of default under this Agreement (an "Event of Default"):

- (a) the Borrower fails to pay any amount of the Accommodations Outstanding when such amount becomes due and payable;
- (b) the Borrower fails to pay any interest on any Advance or Fees or any other amount payable hereunder (except as provided in Section 10.1(a)) when they become due and payable and such failure remains unremedied for a period of three Business Days;
- (c) any representation or warranty or certification made or deemed to be made by the Borrower or a Subsidiary or any of their respective directors or officers in any Credit Document shall prove to have been incorrect in any material respect when made or deemed to be made and, if the circumstances giving rise to the incorrect representation or warranty are capable of modification or rectification (such that, thereafter the representation or warranty would be correct), the representation or warranty remains uncorrected for a period of 15 days;
- (d) the Borrower fails to perform, observe or comply with any of the covenants contained in Section 8.2 or Section 8.3;
- (e) the Borrower fails to perform, observe or comply with any other term, covenant or agreement contained in any Credit Document to which it is a party and such failure remains unremedied for 30 days following the earlier of (i) notice of such failure by the Administrative Agent to the Borrower, and (ii) the Borrower becoming aware of such failure;
- (f) a Subsidiary fails to perform or observe any term, covenant or agreement contained in any Credit Document to which it is a party and such failure remains unremedied for 30 days following the earlier of (i) notice of such failure by the Administrative Agent to the Subsidiary, and (ii) the Subsidiary becoming aware of such failure;
- (g) the Borrower or any of the Subsidiaries fails to pay the principal of, or premium or interest or other amount on, any of its Debt (excluding Debt under this Agreement) which is outstanding in an aggregate principal amount exceeding \$1,000,000 when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to the Debt; or any other event occurs or condition exists and continues after the applicable grace period, if any, specified in any agreement or instrument relating to any such Debt, if its effect is to accelerate, or permit the acceleration of the Debt; or any such Debt shall be declared to be due and payable prior to its stated maturity;
- (h) any Credit Party repudiates its obligations under any Credit Document or any material provision thereof, or claims any of the Credit Documents or any material provision thereof to be invalid or withdrawn in whole or in part;
- (i) any one or more of the Credit Documents or any material provision thereof ceases to be, or is determined by a court of competent jurisdiction not to be, a legal, valid and binding obligation of any Credit Party which is a party thereto, enforceable by the Administrative Agent, the Collateral Agent, the Lenders or any of them against such Credit Party;
- (j) if any of the Security shall cease to be a valid and perfected first priority Lien on any Collateral thereunder or any Assets intended to be Collateral thereunder, subject only to

Permitted Liens which, under Applicable Law or as otherwise agreed to by the Majority Lenders, are to have priority;

- (k) any judgment or order for the payment of money in excess of \$1,000,000 is rendered against the Borrower or any of the Subsidiaries and either (i) enforcement proceedings have been commenced by a creditor upon the judgment or order, or (ii) there is any period of 30 days during which a stay of enforcement of the judgment or order, by reason of a pending appeal or otherwise, is not in effect;
- (l) the Borrower or any Subsidiary incurs any Environmental Liabilities that, in the opinion of the Majority Lenders, would reasonably be expected to result in a Material Adverse Effect.
- (m) there is a Change of Control in respect of the Borrower or any Subsidiary;
- (n) the Borrower or any of the Subsidiaries (i) becomes insolvent or generally not able to pay its debts as they become due, (ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors, (iii) institutes or has instituted against it any proceeding seeking (x) to adjudicate it a bankrupt or insolvent, (y) liquidation, winding up, administration, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors including any proceeding under applicable corporate law seeking a compromise or arrangement of, or stay of proceedings to enforce, some or all of the debts of such Person, or (z) the entry of an order for relief or the appointment of a receiver, receiver-manager, administrator, custodian, monitor, trustee or other similar official for it or for any substantial part of its Assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 60 days, such Person fails to diligently and actively oppose such proceeding, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, receiver-manager, administrator, custodian, monitor, trustee or other similar official for it or for any substantial part of its properties and assets) occurs, or (iv) takes any corporate action to authorize any of the above actions; provided that any of the foregoing events in respect of any Subsidiary that has assets of less than \$1,000,000 in aggregate shall not constitute an Event of Default unless it could reasonably be expected to have a Material Adverse Effect;
- (o) there has occurred an event or development that, in the sole opinion of the Majority Lenders, has had or could reasonably be expected to have a Material Adverse Effect;
- (p) an ERISA Event shall have occurred that, in the opinion of the Majority Lenders, when taken together with all other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect;
- (q) a Pension Event occurs which would reasonably be expected to result in a Material Adverse Effect; or
- (r) the occurrence of an amortization event, event of default, servicer termination event, event of termination or other similar event under any Permitted Asset Financing Transaction which provides for total potential funding or facility size of not less than \$300,000,000.

Section 10.2 Acceleration.

Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders, by written notice to the Borrower (i) terminate the Lenders' obligations to make further Accommodations under the Credit Facilities; and (ii) (at the same time or at any time after such termination) declare all Credit Obligations to be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided that, upon the occurrence of an Event of Default under Section 10.1(n), the Lender's obligations to make further Accommodations under the Credit Facilities shall automatically terminate and all Credit Obligations shall become immediately due and payable, with any presentment, demand, protest or notice of any kind from the Administrative Agent or any Lender.

Section 10.3 Remedies Upon Default.

- (1) Upon a declaration that the Accommodations Outstanding are immediately due and payable pursuant to Section 10.2, the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders, commence such legal action or proceedings as the Majority Lenders, in their sole discretion, deem expedient, including the commencement of enforcement proceedings under the Credit Documents, all without any additional notice, presentation, demand, protest, notice of dishonour, entering into of possession of any property or assets, or any other action or notice, all of which are expressly waived by the Borrower.
- (2) The rights and remedies of the Administrative Agent, the Collateral Agent and the Lenders under the Credit Documents are cumulative and are in addition to, and not in substitution for, any other rights or remedies. Nothing contained in the Credit Documents with respect to the indebtedness or liability of the Borrower to the Secured Creditors, nor any act or omission of the Secured Creditors, or any of them, with respect to the Credit Documents or the Security shall in any way prejudice or affect the rights, remedies and powers of the Secured Creditors under the Credit Documents and the Security.

Section 10.4 Right of Set-off.

If an Event of Default has occurred and is continuing, each of the Lenders and each of their respective Affiliates is hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Credit Document to such Lender, irrespective of whether or not such Lender has made any demand under this Agreement or any other Credit Document and although such obligations of the Credit Party may be contingent or unmatured, are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness, or are owed to such Lender and not to the Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender or its Affiliate shall exercise any such right of set-off, (i) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 11.17 and, pending such payment, shall be segregated by such Defaulting Lender or its Affiliate from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (ii) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations owing to such Defaulting Lender or its Affiliate as to which it exercised such right of set-off. The rights of each of the Lenders and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of set-off, consolidation of accounts and bankers' lien) that the Lenders or their respective Affiliates may have. Each Lender may notify the

Borrower and the Administrative Agent after any such set-off and application, but the failure to give such notice shall not affect the validity of such set-off and application. If any Affiliate of a Lender exercises any rights under this Section 10.4, it shall share the benefit received in accordance with Section 11.15 as if the benefit had been received by the Lender of which it is an Affiliate.

Section 10.5 Application of Cash Proceeds of Realization.

- (1) Subject to the claims, if any, of secured creditors of the Credit Parties whose security ranks in priority to the Security, all Cash Proceeds of Realization shall be applied and distributed, and the claims of the Secured Creditors shall be deemed to have the relative priorities which would result in the Cash Proceeds of Realization being applied and distributed, as follows:
 - (a) *first*, to the payment of all costs and expenses (including fees of counsel) of the Agents in connection with realization on the Security and enforcing the rights of the Lenders under the Credit Documents;
 - (b) *second*, except as set forth in clause (a) above, to the payment of the outstanding Secured Obligations owing to each Secured Creditor, (x) first, on account of unpaid interest and Fees which are due and owing, and (y) second, on account of any other amounts which are due and owing under the Credit Documents, in each case, rateably according to the proportion that the Secured Obligations owing to such Secured Creditor at such time bear to the Secured Obligations owing to all Secured Creditors at such time; and
 - (c) *third*, to the payment of the surplus, if any, to whomever may be lawfully entitled to receive such surplus.

ARTICLE 11 THE AGENTS AND THE LENDERS

Section 11.1 Appointment and Authority.

- (1) Each of the Secured Creditors hereby irrevocably appoints the Administrative Agent to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Each of the Secured Creditors hereby irrevocably appoints the Collateral Agent to act on its behalf as the Collateral Agent hereunder and under the other Credit Documents and authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Secured Creditors, and no Credit Party shall have rights as a third party beneficiary of any of such provisions (other than pursuant to Section 11.9(1), Section 11.14(2) and Section 11.17).
- (2) For the purposes of holding any security granted by the Borrower or any other Credit Party on any of their respective Assets pursuant to the laws of the Province of Quebec to secure payment of any bond, debenture or other title of indebtedness (the "Bonds") issued by the Borrower or any other Credit Party, each Agent and Lender (for its own benefit and the benefit of its Affiliates that are Secured Creditors) hereby irrevocably appoints and authorizes the Collateral Agent and, to the extent necessary, ratifies the appointment and authorization of the Collateral Agent, to act as the person holding the power of attorney (i.e., *fondé de pouvoir*) (in such capacity, the "Attorney") of the present and future holders of the Bonds as contemplated under Article 2692 of the Civil Code of Québec, and to enter into, to take and to hold any hypothec. Moreover, without

prejudice to such appointment and authorization to act as the person holding the power of attorney as aforesaid, each Agent and Lender (for its own benefit and the benefit of its Affiliates that are Secured Creditors) hereby irrevocably appoints and authorizes the Collateral Agent to act as their agent and custodian (in such capacity, the "Custodian") to hold and be the sole registered holder of any Bonds which may be issued under any hypothec and to hold the Bond in accordance with the terms of a hypothec on bonds to be granted by the issuer of the Bonds, and to execute all related documents. Each of the Attorney and the Custodian will: (a) have the sole and exclusive right and authority to exercise, except as may be otherwise specifically restricted by the terms hereof, all rights and remedies given to the Attorney and the Custodian (as applicable) pursuant to any hypothec, bond, pledge, applicable laws or otherwise, (b) benefit from and be subject to all provisions hereof with respect to the Collateral Agent mutatis mutandis, including all such provisions with respect to the liability or responsibility to and indemnification by the Borrower, the Agents and the Lenders, and (c) be entitled to delegate, from time to time, any of its powers or duties under any hypothec, bond, or pledge on such terms and conditions as it may determine from time to time. Notwithstanding the provisions of Section 32 of An Act respecting the special powers of legal persons (Quebec), the Attorney and/or Custodian may acquire, by underwriting, purchase, substitution or otherwise, and be the holder of any Bonds which may be issued under any hypothec by the Borrower or any other Credit Parties. Any person who becomes an Agent or a Lender will, by its execution of an Assignment and Assumption, be deemed to have consented to and confirmed (for its own benefit and the benefit of its Affiliates that are Secured Creditors): (i) the Attorney as the person holding the power of attorney as aforesaid and to have ratified, as of the date it becomes an Agent or a Lender, as applicable all actions taken by the Attorney in such capacity, and (ii) the Custodian as the agent and custodian as aforesaid and to have ratified, as of the date it becomes an Agent or a Lender, as applicable all actions taken by the Custodian in such capacity. The replacement of the Collateral Agent pursuant to the provisions of Section 11.10 will also constitute the replacement of the Attorney and the Custodian. The parties hereto acknowledge that the Bonds constitute a "title of indebtedness" within the meaning of Article 2692 of the Civil Code of Québec.

Section 11.2 Rights as a Lender.

Each Person serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each Person serving as an Agent hereunder in its individual capacity. Each such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Credit Party or any Affiliate thereof as if such Person were not an Agent and without any duty to account to the Lenders.

Section 11.3 Exculpatory Provisions.

- (1) No Agent shall have any duties or obligations except those expressly set forth herein and in the other Credit Documents, and its duties shall be administrative in nature. Without limiting the generality of the foregoing, no Agent:
 - (a) shall be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;
 - (b) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that such Agent is required to exercise as directed in writing by the Majority Lenders (or such other number or percentage of the Lenders as shall be

expressly provided for in the Credit Documents), but such Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, (i) may expose such Agent to liability, (ii) is contrary to any Credit Document or Applicable Law, (iii) would require such Agent to become registered to do business in any jurisdiction, or (iv) would subject such Agent to taxation; and

- (c) shall, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Agent or any of its Affiliates in any capacity.
- (2) No Agent (and none of its directors, officers, agents or employees) shall be liable to any Lender for any action taken or not taken by it (i) with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as is necessary, or as such Agent believes in good faith is necessary, under the provisions of the Credit Documents) or (ii) in the absence of its own gross negligence or wilful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment.
- (3) Except as otherwise expressly specified in this Agreement, no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default (and each Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until such Agent has been notified in writing by a Credit Party of such fact or has been notified in writing by a Lender that it considers that a Default or Event of Default has occurred and is continuing, such notification to specify in detail the nature thereof), (iv) the validity, enforceability, effectiveness or genuineness of, or the sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, this Agreement, any other Credit Document or any other agreement, instrument or document (and each Agent shall be entitled to assume that the same are valid, enforceable, effective, genuine, sufficient, supported by value given, have been signed or delivered by the proper parties and are what they purport to be), or (v) the satisfaction of any condition specified in this Agreement, other than to confirm receipt of items expressly required to be delivered to such Agent.
- (4) No Agent is obliged to (i) take or refrain from taking any action or exercise or refrain from exercising any right or discretion under the Credit Documents, or (ii) incur or subject itself to any cost in connection with the Credit Documents, unless it is first specifically indemnified or furnished with security by the Secured Creditors, in form and substance satisfactory to it (which may include further agreements of indemnity or the deposit of funds).

Section 11.4 Reliance by Agents.

Each Agent shall be entitled to rely upon, and shall not incur any liability to any Lender for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making, extension, renewal or increase of an Accommodation that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such

condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Accommodation. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 11.5 Indemnification of Agents.

- (1) Each Lender agrees to indemnify each Agent and hold it harmless (to the extent not reimbursed by the Borrower), according to its rateable share (and not jointly or jointly and severally) from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against such Agent in any way relating to or arising out of the Credit Documents or the transactions therein contemplated or any actions taken or omitted to be taken by such Agent. However, no Lender shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from such Agent's gross negligence or wilful misconduct.
- (2) Each Secured Creditor agrees to indemnify the Collateral Agent and hold it harmless (to the extent not reimbursed by the Borrower) according to its rateable share (and not jointly or jointly and severally) from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the Collateral Agent in any way relating to or arising out of any of the Security Documents or any other document contemplated thereby or any action taken or omitted by the Collateral Agent under any of the Security Documents or any document contemplated thereby. However, no Secured Creditor shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from the Collateral Agent's gross negligence or wilful misconduct.

Section 11.6 Delegation of Duties.

Each Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent of such Agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The provisions of this Article 11 and other provisions of this Agreement and the other Credit Documents for the benefit of the Agents shall apply to any such sub-agent and to the Related Parties of the Agents and any such sub-agents, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agents. No Agent shall be responsible for the negligence or misconduct of any of its sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that such Agent acted with gross negligence or wilful misconduct in the selection of such sub-agent.

Section 11.7 Notices.

Each Agent shall promptly deliver to each Lender any notices, reports or other communications contemplated in this Agreement which are intended for the benefit of the Lenders.

~~Section 11.8 Discount Rate Determinations.~~

~~Upon request, the Administrative Agent shall notify the Borrower and the Lenders of the discount rate determined by the Administrative Agent for a Drawing.~~

Section 11.8 ~~Section 11.9~~ Administrative Agent's Clawback

- (1) The failure of a Lender to make an Accommodation shall not relieve any other Lender of its obligations in connection with such Accommodation, but no Lender is responsible for any other Lender's failure in respect of an Accommodation. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any advance of funds that such Lender will not make available to the Administrative Agent such Lender's share of such advance, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with the provisions of this Agreement concerning funding by Lenders and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable advance available to the Administrative Agent, then the applicable Lender shall pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Accommodation included in such advance. If the Lender does not do so forthwith, the Borrower shall pay to the Administrative Agent within two Business Days of demand such corresponding amount with interest thereon at the interest rate applicable to the advance in question. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that has failed to make such payment to the Administrative Agent.
- (2) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of any Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute the amount due to the Lenders. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation.

Section 11.9 ~~Section 11.10~~ Replacement of Agents.

- (1) Each Agent may resign at any time by giving 30 days prior notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Majority Lenders shall have the right, with the prior written consent of the Borrower, to appoint a successor, which shall be a Lender having an office in Toronto, Ontario, or an Affiliate of any such Lender with an office in Toronto. An Agent may also be removed at any time by the Majority Lenders upon 30 days' notice to the Administrative Agent and the Borrower as long as the Majority Lenders, with the prior written consent of the Borrower, appoint and obtain the acceptance of a successor within such 30 days, which shall be a Lender having an office in Toronto, or an Affiliate of any such Lender with an office in Toronto. Upon the occurrence of an Event of Default that is continuing, the obligation to obtain the Borrower's consent to the removal or appointment of an Agent in accordance with this Section 11.10(1) shall cease.
- (2) If no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications specified in Section 11.10(1), provided that if the retiring Agent shall notify the

Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and, in any event, (i) the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any Security held by the Collateral Agent on behalf of the Secured Creditors under any of the Credit Documents, the retiring or removed Collateral Agent shall continue to hold such Security until such time as a successor Collateral Agent is appointed) and (ii) except for any indemnity payments owed to the retiring or removed Agent, all payments, communications and determinations provided to be made by, to or through such Agent shall instead be made by or to each Lender directly, until such time as the Majority Lenders appoint a successor Agent pursuant to Section 11.10(1).

- (3) Upon a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former Agent (other than any rights to indemnity payments owed to the former Agent), and the former Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the termination of the service of the former Agent, the provisions of this Article 11 and of Section 12.5 shall continue in effect for the benefit of such former Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the former Agent was acting as an Agent.

Section 11.10 ~~Section 11.11~~ Non-Reliance on Agents and Other Lenders.

Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

Section 11.11 ~~Section 11.12~~ Collective Action of the Secured Creditors.

Each of the Secured Creditors hereby acknowledges that to the extent permitted by Applicable Law, all Security and the remedies provided under the Credit Documents to the Secured Creditors are for the benefit of the Secured Creditors collectively and acting together and not severally and further acknowledges that its rights hereunder and under any Security are to be exercised not severally, but by the Administrative Agent (or Collateral Agent, as applicable) upon the decision of the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Credit Documents). Accordingly, notwithstanding any of the provisions contained herein or in any Security, each of the Secured Creditors hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including, without limitation, any declaration of default hereunder or thereunder, but that any such action shall be taken only by the Administrative Agent (or the Collateral Agent, as applicable) with the prior written agreement of the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Credit Documents). Each of the Secured Creditors hereby further covenants and agrees that upon any such written agreement being given, it shall co-operate fully with each Agent to the extent requested by such Agent. Notwithstanding the foregoing, in the absence of instructions from the Lenders and where in the sole opinion of an Agent, acting reasonably and in good faith, the exigencies of the situation warrant such action, such Agent may

without notice to or consent of the Secured Creditors take such action on behalf of the Secured Creditors as it deems appropriate or desirable in the interest of the Secured Creditors.

Section 11.12 ~~Section 11.13~~ Secured Obligations.

All Secured Obligations shall rank *pari passu* with each other and any proceeds from any realization of the Collateral shall be applied to the Secured Obligations rateably in accordance with Section 10.5 (whether such Collateral is in the name of the Collateral Agent or in the name of any one or more of the other Secured Creditors and without regard to any priority to which any Secured Creditor may otherwise be entitled under Applicable Law).

Section 11.13 ~~Section 11.14~~ Holding of Security; Discharge; Inter-Lender Agreement.

- (1) Each Secured Creditor agrees with the other Secured Creditors that it will not, without the prior consent of the other Secured Creditors, take or obtain any Lien on any properties or assets of the Borrower or any other Credit Party to secure the obligations of the Borrower under the Credit Documents, except for the benefit of all Secured Creditors or as may otherwise be required by Applicable Law.
- (2) The Secured Creditors hereby irrevocably authorize the Collateral Agent to, and the Collateral Agent will, release the Security on any Collateral constituting Assets subject to a Disposition to any Person (other than the Borrower or a Subsidiary (which, for greater certainty, shall exclude any SPV Subsidiary), if (i) the Borrower has certified to the Agents that the Disposition is in compliance with the terms of this Agreement (and the Agents may rely conclusively on any such certificate, without further inquiry) or (ii) subject to Section 12.1, the Majority Lenders have consented to the Disposition of such Collateral. The Collateral Agent will, at the request and expense of the Borrower, execute and deliver to the relevant Credit Party such financing change statements, releases, discharges, documents or other instruments as the Credit Party may reasonably require to effect the release and discharge of the Security over such Collateral, provided that the proceeds of any such Disposition shall continue to constitute part of the Collateral.
- (3) The Secured Creditors hereby irrevocably authorize the Administrative Agent and/or the Collateral Agent to enter into any inter-lender agreement in connection with a Permitted Asset Financing Transaction, if required.
- (4) Concurrently with the assignment or pledge of any Securitization Assets pursuant to a Permitted Asset Financing Transaction, the Security on such Securitization Assets (and any related security provided by the related Account Debtor and the proceeds thereof and any related cash reserve accounts) shall be automatically released and the Secured Creditors hereby consent to such release and to any steps the Collateral Agent may take or request to give effect to any such release. The Collateral Agent will, at the request and expense of the Borrower, execute and deliver to the relevant Credit Party such financing change statements, releases, discharges, documents or other instruments as the Credit Party may reasonably require to effect the release and discharge of the Security over such Collateral, provided that the proceeds of any such Permitted Asset Financing Transaction shall continue to constitute part of the Collateral.

Section 11.14 ~~Section 11.15~~ Sharing of Payments by Lenders.

If any Lender, by exercising any right of set-off or counterclaim or otherwise, obtains any payment or other reduction that might result in such Lender receiving payment or other reduction of a proportion of the aggregate amount of its Accommodations Outstanding and accrued interest thereon or other obligations hereunder greater than its rateable share thereof as provided herein, then the Lender

receiving such payment or other reduction shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Accommodations Outstanding and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders rateably in accordance with the aggregate amount of principal of and accrued interest on their respective Accommodations Outstanding and other amounts owing them, provided that:

- (a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and
- (b) the provisions of this Section 11.15 shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Accommodations or participations in disbursements under Documentary Credits to any assignee or participant, other than to the Borrower or any Affiliate of the Borrower (as to which the provisions of this Section 11.15 shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against it rights of set-off and counterclaim and similar rights of Lenders with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

Section 11.15 ~~Section 11.16~~ Liability of the Lenders *inter se*.

Each of the Lenders agrees with each of the other Lenders that, except as otherwise expressly provided in this Agreement, none of the Lenders has or shall have any duty or obligation, or shall in any way be liable, to any of the other Lenders in respect of the Credit Documents or any action taken or omitted to be taken in connection with them.

Section 11.16 ~~Section 11.17~~ Defaulting Lenders.

Notwithstanding any provision in this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

- (a) standby commitment fees shall cease to accrue with respect to the unused portion of such Defaulting Lender's Commitment pursuant to Section 2.9;
- (b) such Defaulting Lender shall have no voting or consent rights with respect to matters under this Agreement or other Credit Documents. Accordingly, the Commitments and Accommodations Outstanding of such Defaulting Lender shall not be included in determining whether all Lenders or the Majority Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 12.1);
- (c) to the extent permitted by Applicable Law, the Administrative Agent shall be entitled to withhold and deposit in one or more non-interest bearing cash collateral accounts in the name of the Administrative Agent any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of a Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 10 or otherwise),

which payments shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent in such capacity hereunder; *second*, to the rateable payment of any amounts owing by such Defaulting Lender to the Issuing Bank or Swingline Lender in such respective capacities hereunder; *third*, if so determined by the Administrative Agent or requested by the Issuing Bank or Swingline Lender, to be held as cash collateral for funding obligations of such Defaulting Lender in respect of any participation in any existing Swingline Advance or Documentary Credit; *fourth*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Accommodation in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; and *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released in order to satisfy obligations of such Defaulting Lender to fund future Accommodations under this Agreement; provided that if such payment is a payment of the principal amount of any Accommodations in respect of which such Defaulting Lender has not fully funded its appropriate share, such payment shall be applied solely to pay the Accommodations Outstanding owed to all non-Defaulting Lenders on a rateable basis prior to being applied to the payment of any Accommodations Outstanding to any Defaulting Lender until such time as all Accommodations, including funded and unfunded participations in Documentary Credits and Swingline Advances, are held by the Lenders rateably in accordance with the Lenders' Commitments without giving effect to Section 11.17(e)(ii). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 11.17 shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto;

- (d) for greater certainty, neither the Administrative Agent nor any of its Affiliates nor any of their respective directors, officers, employees, managers, administrators, trustees, agents, advisors and representatives shall be liable to any Lender (including a Defaulting Lender) for any action taken or omitted to be taken by it in connection with amounts received and deposited by the Administrative Agent in a cash collateral account pursuant to this Section 11.17 and applied in accordance with the provisions of this Agreement, save and except for the gross negligence or wilful misconduct of the Administrative Agent as determined by a final and non-appealable judgment of a court of competent jurisdiction;
- (e) if, at the time a Lender becomes a Defaulting Lender, any Documentary Credits or Swingline Advances are outstanding, then:
 - (i) such Defaulting Lender shall be required to provide to the Administrative Agent cash or Cash Equivalents in an amount equal to such Defaulting Lender's rateable share of the sum of the undrawn face amount of such outstanding Documentary Credits and the principal amount of such outstanding Swingline Advances (such rateable share, the "L/C and Swingline Exposure"). Such cash or Cash Equivalents shall be held by the Administrative Agent in one or more cash collateral accounts which accounts shall be in the name of the Administrative Agent and shall not be required to be interest bearing;
 - (ii) to the extent such L/C and Swingline Exposure is not collateralized by such Defaulting Lender in accordance with Section 11.17(e)(i), such L/C and Swingline Exposure shall be reallocated among the non-Defaulting Lenders in accordance with their rateable portions (calculated without regard to such

Defaulting Lender's Commitments) but only to the extent such reallocation does not cause the sum of (x) the Accommodations Outstanding of such non-Defaulting Lender plus (y) such non-Defaulting Lender's rateable portion (after giving effect to the reallocation provided for herein) of the L/C and Swingline Exposure, to exceed its Commitments. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation;

- (iii) if the reallocation described in Section 11.17(e)(ii) cannot, or can only partially, be effected, the Borrower shall, within one Business Day following notice by the Administrative Agent (x) first, prepay Accommodations Outstanding under the Swingline Facility in an amount equal to such Defaulting Lender's rateable share of such Accommodations Outstanding and (y) second, cash collateralize such Defaulting Lender's participation interests in outstanding Documentary Credits in accordance with the procedures set forth in Section 5.8(1) for so long as such Documentary Credits are outstanding (in each case, after giving effect to any partial reallocation pursuant to Section 11.17(e)(ii));
- (iv) such Defaulting Lender shall be entitled to receive fees pursuant to Section 5.7(1) for any period during which that Lender is a Defaulting Lender only to the extent allocable to the rateable portion of the stated amount of Documentary Credits for which it has provided cash collateral pursuant to this Section;
- (v) with respect to any fees provided for in Section 5.7(1) to which such Defaulting Lender is not entitled pursuant to clause (iv) above, the Borrower shall (x) pay to each non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation interests in outstanding Documentary Credits that has been reallocated to such non-Defaulting Lender pursuant to this Section, (y) pay to the Issuing Bank that amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Bank's fronting exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee;
- (f) so long as any Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Advance and the Issuing Bank shall not be required to issue, extend the expiry date of or increase the applicable portion of the amount of any Documentary Credit, unless it is satisfied that the related exposure will be covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 11.17(e)(iii), and participating interests in any such newly issued or increased Documentary Credit or newly made Swingline Advance shall be allocated among non-Defaulting Lenders in a manner consistent with Section 11.17(e)(ii) and Defaulting Lenders shall not participate therein; and
- (g) in the event that the Administrative Agent, the Borrower and the Issuing Bank and the Swingline Lender each agrees in writing that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the participation interests of the Lenders in Swingline Advances and Documentary Credits shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Accommodations Outstanding of the other Lenders (other than Swingline Advances) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Accommodations

Outstanding in accordance with its rateable share (without giving effect to Section 11.17(e)(ii)) whereupon such Lender will cease to be a Defaulting Lender. No adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while the Lender was a Defaulting Lender. Except to the extent otherwise expressly agreed to by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

Section 11.17 ~~Section 11.18~~ Erroneous Payments.

- (1) If the Administrative Agent notifies a Lender, Issuing Bank or Secured Creditor, or any Person who has received funds on behalf of a Lender, Issuing Bank or Secured Creditor (any such Lender, Issuing Bank, Secured Creditor or other recipient, a "Payment Recipient") that the Administrative Agent has determined in its sole reasonable discretion that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment Recipient) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Payment Recipient shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent, in same day funds (in the currency so received), the amount of any such Erroneous Payment (or portion thereof), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent (i) in respect of amounts denominated in U.S. Dollars only, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with prevailing banking industry rules on interbank compensation from time to time in effect, or (ii) in respect of amounts denominated in Canadian Dollars only, at a rate determined by the Administrative Agent in accordance with prevailing banking industry rules on interbank compensation from time to time in effect. To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.
- (2) Without limiting immediately preceding clause (a), each Payment Recipient hereby further agrees that if it receives an Erroneous Payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Erroneous Payment (the "Payment Notice"), or (y) that was not preceded or accompanied by a Payment Notice sent by the Administrative Agent (or any of its Affiliates), then, said Payment Recipient shall be on notice, in each case, that an error has been made with respect to such Erroneous Payment. Each Payment Recipient agrees that, in each such case, or if it otherwise becomes aware an Erroneous Payment (or portion thereof) may have been sent in error, such Payment Recipient shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) in same day funds (in the currency so received), together with interest

thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent (i) in respect of amounts denominated in U.S. Dollars only, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with prevailing banking industry rules on interbank compensation from time to time in effect, or (ii) in respect of amounts denominated in Canadian Dollars only, at a rate determined by the Administrative Agent in accordance with prevailing banking industry rules on interbank compensation from time to time in effect.

- (3) Each Payment Recipient hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Credit Document, or otherwise payable or distributable by the Administrative Agent to such Payment Recipient from any source, against any amount due to the Administrative Agent under any of the immediately preceding clauses (a) or (b) or under the indemnification provisions of this Agreement
- (4) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent (such unrecovered amount, an "Erroneous Payment Return Deficiency"), the Borrower and each other Credit Party hereby agrees that (x) the Administrative Agent shall be subrogated to all the rights of such Payment Recipient with respect to such amount (including, without limitation, the right to sell and assign the Accommodations Outstanding (or any portion thereof), which were subject to the Erroneous Payment Return Deficiency) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Secured Obligations owed by the Borrower or any other Credit Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, (i) comprised of funds received by the Administrative Agent from the Borrower or any other Credit Party or (ii) the proceeds of realization from the enforcement of one or more of the Security Documents against or in respect of the Borrower or one or more of the Credit Parties, in each case, for the purpose of making such Erroneous Payment. For the avoidance of doubt, no assignment of an Erroneous Payment Deficiency will reduce the Commitments of any Payment Recipient and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has assigned Accommodations Outstanding (or portion thereof) acquired pursuant to the assignment of an Erroneous Payment Deficiency, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Payment Recipient under the Credit Documents with respect to each Erroneous Payment Return Deficiency.
- (5) Each party's obligations, agreements and waivers under this Section 11.18 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Bank, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Secured Obligations (or any portion thereof) under any Credit Document.

Section 11.18 ~~Section 11.19~~ Survival.

The provisions of this Article shall survive the termination of this Agreement and the repayment of all Accommodations Outstanding.

ARTICLE 12 MISCELLANEOUS

Section 12.1 Amendments, etc.

- (1) Subject to Section 12.1(2) and Section 12.1(3), no amendment or waiver of any provision of any of the Credit Documents, nor consent to any departure by the Borrower or any other Person from such provisions, shall be effective unless in writing and approved by the Majority Lenders. Any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.
- (2) Without the prior written consent of each Lender, no amendment, waiver or consent shall:
 - (a) increase any Lender's Commitment (other than in accordance with Section 2.7(2));
 - (b) reduce or forgive the principal amount of any Accommodation Outstanding; waive, reduce or postpone any scheduled repayment of principal of any Accommodation Outstanding; or extend the scheduled final maturity of any Accommodation Outstanding;
 - (c) reduce the stated rate of interest on any Accommodation Outstanding or any Fee; or waive, reduce or extend the time for payment of interest on any Accommodation Outstanding or any payment of Fees;
 - (d) change the definition of Majority Lenders; or change the percentage of the Commitments, or the number or percentage of Lenders, in each case, required for the Lenders, or any of them, the Collateral Agent or the Administrative Agent to take any action;
 - (e) amend the requirement of *pro rata* application of all amounts received by the Administrative Agent in respect of the Credit Facilities or the Secured Obligations, or the requirement of *pro rata* sharing by the Lenders pursuant to Section 11.15 (*Sharing of Payments by Lenders*);
 - (f) give effect to any amendments contemplated by the definition of "Sustainability Linked Loan"; or
 - (g) amend this Section 12.1.
- (3) Only written amendments, waivers or consents signed by the Administrative Agent, in addition to the Majority Lenders, shall affect the rights or duties of the Administrative Agent under the Credit Documents. Only written amendments, waivers or consents signed by the Collateral Agent, in addition to the Majority Lenders, shall affect the rights or duties of the Collateral Agent under the Credit Documents. Only written amendments, waivers or consents signed by the Swingline Lender, in addition to the Majority Lenders, shall affect the rights or duties of the Swingline Lender. Only written amendments, waivers or consents signed by the Issuing Bank, in addition to the Majority Lenders, shall affect the rights or duties of the Issuing Bank.

Section 12.2 Waiver.

No failure on the part of a Lender or an Agent to exercise, and no delay in exercising, any right under any of the Credit Documents shall operate as a waiver of such right; nor shall any single or partial exercise of any right under any of the Credit Documents preclude any other or further exercise of such

right or the exercise of any other right. The closing of this transaction shall not prejudice any right of one party against any other party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

Section 12.3 Evidence of Debt and Accommodation Notices.

- (1) The indebtedness of the Borrower resulting from Accommodations under the Credit Facilities shall be evidenced by the records of the Administrative Agent acting on behalf of the Lenders pursuant to Section 12.6(3).
- (2) Prior to the receipt of any Accommodation Notice, the Administrative Agent may act on the basis of a notice by telephone (containing the same information as would be contained in the Accommodation Notice) believed by it to be from an authorized person representing the Borrower. In the event of a conflict between the Administrative Agent's record of any Accommodation and the Accommodation Notice, the Administrative Agent's record shall prevail, absent manifest error.

Section 12.4 Notices: Effectiveness; Electronic Communication.

- (1) Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 12.4(3)), all notices and other communications provided for herein shall be in writing and shall be sent by personal delivery or courier service, mailed by certified or registered mail, or sent by facsimile addressed:

- (a) to the Borrower at:

Chesswood Group Limited
1133 Yonge Street, Suite 603
Toronto, Ontario M4T 2Y7

Attention: Chief Financial Officer

Facsimile: (416) 386-3085

- (b) to the Administrative Agent at:

Royal Bank of Canada
155 Wellington Street West - 8th Floor
Toronto, Ontario
M5V 3K7

Attention: Manager Agency Services

Facsimile: (416) 842-4023

- (c) to the Collateral Agent at:

Royal Bank of Canada
155 Wellington Street West - 8th Floor
Toronto, Ontario
M5V 3K7

Attention: Manager Agency Services

Facsimile: (416) 842-4023

- (d) and, if to a Lender, to it at its address or Facsimile number specified in the Register.
- (2) A Notice is deemed to have been given and received (i) if sent by personal delivery or courier service, or mailed by certified or registered mail, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day or (ii) if sent by facsimile, on the date of confirmation of transmission by the originating facsimile if it is a Business Day and the confirmation of transmission is issued prior to 4:00 p.m. (local time where the recipient is located) and otherwise on the next Business Day. Notices delivered through electronic communications to the extent provided in Section 12.4(3) below, shall be effective as provided in Section 12.4(3).
- (3) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent. An Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.
- (4) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

Section 12.5 Expenses; Indemnity; Damage Waiver.

- (1) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Lenders and the Agents, including the reasonable fees, charges and disbursements of counsel, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Credit Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Documentary Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Lenders and the Agents, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of their rights in connection with this Agreement and the other Credit Documents, including their rights under this Section 12.5, or in connection with the Accommodations issued hereunder, including all such expenses incurred during any workout, restructuring or negotiations in respect of such Accommodations.
- (2) The Borrower shall indemnify each Agent (and any sub-agent thereof), each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnatee") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnatee, incurred by any Indemnatee or asserted against any Indemnatee by any third party or by any Credit Party arising out of, in connection with, or as a result of (a) the execution, delivery or enforcement of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (b) any Accommodation or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank

to honour a demand for payment under a Documentary Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Documentary Credit), (c) the presence of contaminants in, on, at, under or about, or the discharge or likely discharge of contaminants from, any of the Subject Properties or any of the properties now or previously used or occupied by the Borrower, any of its Subsidiaries or any of the other Credit Parties, or the breach by or non-compliance with any Environmental Law by any mortgagor, owner or lessee of such properties, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by a Credit Party and regardless of whether any Indemnatee is a party thereto; provided that such indemnity shall not, as to any Indemnatee, be available (i) to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence, bad faith or wilful misconduct of such Indemnatee, or (ii) in respect of matters specifically addressed in Sections 9.1, 9.2 and 12.5(1).

- (3) To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under Section 12.5(1) or Section 12.5(2) to be paid by it to an Agent (or any sub-agent thereof), the Issuing Bank, or any Related Party of any of the foregoing, each Lender severally agrees to pay to such Agent (or any such sub-agent), Issuing Bank or such Related Party, as the case may be, such Lender's rateable portion (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent (or any such sub-agent) or Issuing Bank in its capacity as such, or against any Related Party of any of the foregoing acting for an Agent (or any such sub-agent) or Issuing Bank in connection with such capacity.
- (4) To the fullest extent permitted by Applicable Law, neither the Borrower nor any Subsidiary shall assert, and hereby waives, any claim against any Indemnatee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Accommodation or the use of the proceeds thereof. No Indemnatee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.
- (5) Without limiting the foregoing, the Borrower shall pay to each Lender on demand any amounts required to compensate the Lender for any loss suffered or incurred by it as a result of (i) any payment being made, any conversion, or any assignment as a result of a request by the Borrower pursuant to Section 9.3(2) in respect of a BA Instrument, Documentary Credit or Advance, other than on the maturity or expiration or on the last day of a Interest Period applicable to it, (ii) the failure of the Borrower to give any notice in the manner and at the times required by this Agreement, (iii) the failure of the Borrower to effect an Accommodation in the manner and at the time specified in any Accommodation Notice or to make a prepayment in the manner and at the time specified in any notice with respect thereto, or (iv) the failure of the Borrower to make a payment or a mandatory repayment in the manner and at the time specified in this Agreement, including any foreign exchange loss and any loss or expense arising from the liquidation or deployment of funds obtained by it to maintain such Accommodation or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

- (6) All amounts due under this Section 12.5 shall be payable promptly after demand therefor. A certificate of an Agent or a Lender setting forth the amount or amounts owing to such Agent, Lender or a sub-agent or Related Party, as the case may be, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error.
- (7) The provisions of this Section 12.5 shall survive the termination of this Agreement and the repayment of all Accommodations Outstanding. To the extent required by law to give full effect to the rights of the Indemnitees under this Section 12.5, the parties hereto agree and acknowledge that each Agent and Lender is acting as agent for its respective Related Parties and agrees to hold and enforce such rights on behalf of such Related Parties as they may direct. The Borrower acknowledges that neither its obligation to indemnify nor any actual indemnification by it of the Lenders, the Agents or any other Indemnitee in respect of such Person's losses for legal fees and expenses shall in any way affect the confidentiality or privilege relating to any information communicated by such Person to its counsel.

Section 12.6 Successors and Assigns.

- (1) The provisions of this Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with Section 12.6(2), (ii) by way of participation in accordance with Section 12.6(4), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 12.6(7) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 12.6(4) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.
- (2) Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and its Accommodations Outstanding); provided that:
 - (a) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the assigning Lender's Commitments and its Accommodations Outstanding or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Lender's Commitments being assigned (which for this purpose includes Accommodations Outstanding thereunder) or, if the applicable Lender's Commitment is not then in effect, the principal outstanding balance of the Accommodations Outstanding of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, unless each of the Administrative Agent and, so long as no Default or Event of Default has occurred and is continuing, the Borrower otherwise consents to a lower amount (each such consent not to be unreasonably withheld or delayed);

- (b) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Accommodations Outstanding or the Lender's Commitment assigned;
- (c) any assignment of a Commitment must be approved by the Issuing Bank (such approval not to be unreasonably withheld or delayed) unless the Person that is the proposed assignee is itself already a Lender with a Commitment;
- (d) any assignment must be approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed) unless:
 - (i) in the case of an assignment of a Commitment, the proposed assignee is itself already a Lender with a Commitment,
 - (ii) no Event of Default has occurred and is continuing, or
 - (iii) the proposed assignee is a bank whose senior, unsecured, non-credit enhanced, long term debt is rated at least A3, A- or A low by at least two of Moody's Investors Service Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and DBRS Limited, respectively;
- (e) any assignment must be approved by the Borrower (such approval not to be unreasonably withheld or delayed) unless the proposed assignee is itself already a Lender, an Affiliate of a Lender or an Approved Fund, or a Default or Event of Default has occurred and is continuing, and provided that the Borrower shall be deemed to have consented to any such assignment unless it has provided written notice of its objection thereto to the Administrative Agent within 15 Business Days of receiving notice thereof;
- (f) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of Cdn. \$3,500; and
- (g) in connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable rateable share of Accommodations previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and the Lenders hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full rateable share of all Advances and participations in Documentary Credits and Swingline Advances. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 12.6(3), from and after the effective date specified in each Assignment and Assumption,

the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement and the other Credit Documents, including any collateral security, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Article 9 and Section 12.5, and shall continue to be liable for any breach of this Agreement by such Lender, with respect to facts and circumstances occurring prior to the effective date of such assignment; provided that, except to the extent otherwise expressly agreed to by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 12.6(4). Any payment by an assignee to an assigning Lender in connection with an assignment or transfer shall not be or be deemed to be a repayment by the Borrower or a new Accommodation to the Borrower.

- (3) The Administrative Agent shall maintain at one of its offices in Toronto, Ontario a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Accommodations Outstanding to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Agents and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender for all purposes of this Agreement. In addition, the Administrative Agent shall maintain on the Register information regarding the designation and revocation of designation of any Lender as a Defaulting Lender. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.
- (4) Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person, a Credit Party or any Affiliate of a Credit Party) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitments and/or its Accommodations Outstanding); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any payment by a Participant to a Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Accommodation to the Borrower.

Subject to Section 12.6(5), the Borrower agrees that each Participant shall be entitled to the benefits of Section 9.1 and Section 9.2 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.6(2), provided such Participant agrees to be subject to Section 9.3 as if it were a Lender. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.4 as though it were a Lender, provided such Participant agrees to be subject to Section 11.15 as though it were a Lender.

- (5) A Participant shall not be entitled to receive any greater payment under Section 9.1 and Section 9.2 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant had such participation not been sold, unless the sale of the

participation to such Participant is made with the Borrower's prior written consent or at a time when an Event of Default has occurred and is continuing. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 9.1 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 9.2(5) as though it were a Lender.

- (6) The Borrower shall provide such certificates, acknowledgments and further assurances in respect of this Agreement and the Credit Facilities as such Lender may reasonably require in connection with any participation or assignment pursuant to this Section 12.6.
- (7) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, but no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 12.7 Judgment Currency.

- (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due to a Lender in any currency (the "Original Currency") into another currency (the "Other Currency"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, such Lender could purchase the Original Currency with the Other Currency on the Business Day preceding the day on which final judgment is given or, if permitted by Applicable Law, on the day on which the judgment is paid or satisfied.
- (2) The obligations of the Borrower in respect of any sum due in the Original Currency from it to the Lender under any of the Credit Documents shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by the Lender of any sum adjudged to be so due in the Other Currency, the Lender may, in accordance with normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender in the Original Currency, the Borrower agrees, as a separate obligation and notwithstanding the judgment, to indemnify the Lender, against any loss, and, if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender shall remit such excess to the Borrower.

Section 12.8 Interest on Amounts.

Except as may be expressly provided otherwise in this Agreement, all amounts owed by the Borrower to any Agent and to any of the Lenders, which are not paid when due (whether at stated maturity, on demand, by acceleration or otherwise) shall bear interest (both before and after default and judgment), from the date on which such amount is due until such amount is paid in full, payable on demand, at a rate per annum equal at all times to (i) in the case of an amount payable in U.S. Dollars, the sum of the U.S. Prime Rate in effect from time to time, the Applicable Margin for U.S. Prime Rate Advances and 2%, and (ii) in the case of an amount payable in Canadian Dollars, the sum of the Canadian Prime Rate in effect from time to time, the Applicable Margin for Canadian Prime Rate Advances and 2%.

Section 12.9 Anti-Terrorism Laws.

- (1) If, upon the written request of any Lender, the Administrative Agent has ascertained the identity of the Borrower or any authorized signatories of the Borrower for purposes of Anti-Terrorism Laws, then the Administrative Agent:
 - (a) shall be deemed to have done so as an agent for such Lender, and this Agreement shall constitute a "written agreement" in such regard between such Lender and the Administrative Agent within the meaning of the applicable Anti-Terrorism Law; and
 - (b) shall provide to such Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.
- (2) Notwithstanding and except as may otherwise be agreed in writing, each of the Lenders agrees that the Administrative Agent does not have any obligation to ascertain the identity of the Borrower or any authorized signatories of the Borrower on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from the Borrower or any authorized signatory in doing so.

Section 12.10 Limitations Act.

Notwithstanding the provisions of the *Limitations Act, 2002* (Ontario), a claim may be brought on this Agreement at any time within 6 years from the date on which payment of the relevant Credit Obligations is due pursuant hereto or, in the case of Credit Obligations that are demand obligations, demand for payment of the relevant Credit Obligations is made to the Borrower in accordance with the terms of this Agreement.

Section 12.11 Governing Law: Jurisdiction: Etc.

- (1) This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.
- (2) The Borrower irrevocably and unconditionally submits, for itself and its Assets, to the non-exclusive jurisdiction of the courts of the Province of Ontario, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Credit Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Credit Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against any Credit Party or its Assets in the courts of any jurisdiction.
- (3) The Borrower irrevocably consents to the service of any and all process in any such action or proceeding to the Borrower at the address provided for it in Section 12.4. Nothing in this Section 12.11(3) limits the right of the Administrative Agent or any Lender to serve process in any other manner permitted by Applicable Law.
- (4) The Borrower irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Credit Document in

any court referred to in Section 12.11(2). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

Section 12.12 Waiver of Jury Trial.

Each party hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or any other Credit Document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative, agent or attorney of any other Person has represented, expressly or otherwise, that such other Person would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the other Credit Documents by, among other things, the mutual waivers and certifications in this Section.

Section 12.13 Counterparts: Integration: Effectiveness: Electronic Execution.

- (1) This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement. This Agreement and the other Credit Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when it has been executed by the Administrative Agent and when the Administrative Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto.
- (2) The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act, 2000* (Ontario) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

Section 12.14 Treatment of Certain Information: Confidentiality.

- (1) Each of the Agents and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, managers, administrators, trustees, agents, auditors, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this

Section 12.14 to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective party (or its partners, directors, officers, employees, managers, administrators, trustees, agents, advisors or other representatives) to any swap, derivative, credit-linked note or similar transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, or the advisors of the Persons referred to in (i) and (ii), (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent or any Lender on a non-confidential basis.

- (2) For purposes of this Section, "Information" means all information received in connection with this Agreement from the Borrower or any of its Subsidiaries relating to the Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section 12.14 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers.

Section 12.15 Severability.

If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 12.16 Time of the Essence.

Time is of the essence in this Agreement.

Section 12.17 *USA PATRIOT Act.*

Each Lender that is subject to the requirements of the Patriot Act hereby notifies the Borrower that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address and tax identification number of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

Section 12.18 Further Assurances.

At its cost and expense, upon request of the Administrative Agent, acting reasonably, the Borrower shall execute and deliver or cause to be executed and delivered to the Administrative Agent such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the Administrative Agent to carry out more effectually the provisions and purposes of the Credit Documents.

Section 12.19 No Fiduciary Duty.

Each Agent, each Lender and their respective Affiliates (collectively, solely for purposes of this Section 12.19, the “Lenders”), may have economic interests that conflict with those of the Borrower, its shareholders and its Affiliates. The Borrower agrees that nothing in the Credit Documents will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Borrower, its shareholders or its Affiliates, on the other hand. The Borrower acknowledges and agrees that (a) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm’s-length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other hand, and (b) in connection therewith and with the process leading thereto, (i) no Lender has assumed an advisory or fiduciary responsibility in favour of the Borrower, its shareholders or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise the Borrower, its shareholders or its Affiliates on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Credit Documents and (ii) each Lender is acting solely as principal and not as the agent or fiduciary of the Borrower, its management, shareholders, creditors or any other person. The Borrower acknowledges and agrees that the Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transactions or the process leading thereto.

Section 12.20 Entire Agreement

This Agreement amends and restates the Existing Credit Agreement and together with all other Credit Documents constitute the entire agreement between the parties to this Agreement with respect to the Credit Facility and the other matters contemplated in this Agreement as of the date of this Agreement, and supersedes the Existing Credit Agreement and all other negotiations and discussions, whether oral or written, with respect to the Credit Facility. Nothing in this Agreement shall constitute a release or novation of any indebtedness outstanding under the Existing Credit Agreement or any Security granted with respect thereto and all Accommodations outstanding under the Existing Credit Agreement shall continue as Accommodations outstanding under this Agreement.

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IN WITNESS WHEREOF the parties have executed this Credit Agreement.

CHESSWOOD GROUP LIMITED, as
Borrower

By: _____
Authorized Signing Officer

ROYAL BANK OF CANADA, as Lender

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

ROYAL BANK OF CANADA, as
Administrative Agent

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

ROYAL BANK OF CANADA, as Collateral
Agent

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

THE TORONTO-DOMINION BANK, as
Lender

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

HUNTINGTON NATIONAL BANK, as
Lender

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

M&T BANK, as Lender

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

CANADIAN IMPERIAL BANK OF
COMMERCE, as Lender

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

LAURENTIAN BANK OF CANADA, as
Lender

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

Summary report: Litera Compare for Word 11.6.0.100 Document comparison done on 6/21/2024 2:45:01 PM	
Style name: Office 2016	
Intelligent Table Comparison: Active	
Original DMS: iw://07e4-mobility-ca.imanage.work/SEDOCS/119276348/1	
Description: Exhibit A to Chesswood Amending Agreement	
Modified DMS: iw://07e4-mobility-ca.imanage.work/SEDOCS/119276348/4	
Description: Exhibit A to Chesswood Amending Agreement	
Changes:	
<u>Add</u>	322
Delete	396
Move From	63
<u>Move To</u>	63
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	844

SCHEDULE A COMMITMENTS

On December 22, 2023:

Lender:	Tranche A Commitment:	Tranche B Commitment:	Total Commitment:
Royal Bank of Canada	\$62,066,825.00	\$23,275,059.50	\$85,341,884.50
The Toronto-Dominion Bank	\$58,187,649.00	\$27,154,235.50	\$85,341,884.50
Huntington National Bank	\$46,550,119.00	-	\$46,550,119.00
M&T Bank	\$25,214,648.00	\$8,410,055.00	\$33,624,703.00
Canadian Imperial Bank of Commerce	\$25,214,648.00	\$8,410,055.00	\$33,624,703.00
Laurentian Bank of Canada	\$15,516,706,000	-	\$15,516,706.00
Total	\$232,750,595.00	\$67,249,405.00	\$300,000,000.00

From and after the initial funding under the Permitted Asset Financing Transaction with Wafra Inc. (if it occurs prior to March 31, 2024) to March 31, 2024:

Lender:	Tranche A Commitment:	Tranche B Commitment:	Total Commitment:
Royal Bank of Canada	\$56,894,590.00	\$21,335,471.50	\$78,230,061.50
The Toronto-Dominion Bank	\$53,338,678.00	\$24,891,383.50	\$78,230,061.50
Huntington National Bank	\$42,670,942.00	-	\$42,670,942.00
M&T Bank	\$23,113,427.00	\$7,709,217.00	\$30,822,644.00
Canadian Imperial Bank of Commerce	\$23,113,427.00	\$7,709,217.00	\$30,822,644.00
Laurentian Bank of Canada	\$14,223,647.00	-	\$14,223,647.00
Total	\$213,354,711.00	\$61,645,289.00	\$275,000,000.00

From and after June 30, 2024 to September 30, 2024:

Lender:	Tranche A Commitment:	Tranche B Commitment:	Total Commitment:
Royal Bank of Canada	\$46,550,119.00	\$17,456,294.50	\$64,006,413.50
The Toronto-Dominion Bank	\$43,640,737.00	\$20,365,676.50	\$64,006,413.50
Huntington National Bank	\$34,912,589.00	-	\$34,912,589.00
M&T Bank	\$18,910,986.00	\$6,307,541.00	\$25,218,527.00
Canadian Imperial Bank of Commerce	\$18,910,986.00	\$6,307,541.00	\$25,218,527.00
Laurentian Bank of Canada	\$11,637,530.00	-	\$11,637,530.00
Total	\$174,562,947.00	\$50,437,053.00	\$225,000,000.00

Includes Amendments dated
 March 31, 2022
 July 26, 2022
 December 13, 2022
 June 30, 2023
 December 22, 2023

From and after September 30, 2024 to the Maturity Date:

Lender:	Tranche A Commitment:	Tranche B Commitment:	Total Commitment:
Royal Bank of Canada	\$44,481,225.00	\$16,680,458.50	\$61,161,683.50
The Toronto-Dominion Bank	\$41,701,148.00	\$19,460,535.50	\$61,161,683.50
Huntington National Bank	\$33,360,919.00	-	\$33,360,919.00
M&T Bank	\$18,070,498.00	\$6,027,206.00	\$24,097,704.00
Canadian Imperial Bank of Commerce	\$18,070,498.00	\$6,027,206.00	\$24,097,704.00
Laurentian Bank of Canada	\$11,120,306.00	-	\$11,120,306.00
Total	\$166,804,594.00	\$48,195,406.00	\$215,000,000.00

SCHEDULE 2.6
NOTICE PERIODS AND AMOUNTS

Type of <u>Accommodation</u>	Borrowing Notice Drawing Notice , or Issue Notice (Sections 3.2(1), <u>3.2(2)</u> <u>4.3(1)</u> , <u>5.2(1)</u>)	Election Notice (Section 3.3(3))	Conversion <u>Section 3.3(2)</u>	Prepayment <u>Section 2.6(1)</u>	Currency and Amount of <u>Accommodations</u>
Canadian Prime Rate Advance	1 Business Day	1 Business Day	1 Business Day	1 Business Days	Cdn. \$1,000,000 and integral multiplies of \$100,000
U.S. Prime Rate Advance	1 Business Day	1 Business Day	1 Business Day	1 Business Days	U.S. \$1,000,000 and integral multiplies of \$100,000
Canadian Swingline Advance	Same Day	-	-	Same Day	Cdn. and no minimum amount
U.S. Swingline Advance	Same Day	-	-	Same Day	U.S. and no minimum amount
SOFR Rate Advance	3 Business Days	3 Business Days	2 Business Days	3 Business Days	U.S. \$1,000,000 and integral multiples of \$100,000
Bankers' Acceptances <u>COR RA Advance</u>	13 Business Day <u>Days</u>	-3 Business Days	<u>3 Business Days</u> -	-3 Business Days	Cdn. \$1,000,000 and integral multiplies of \$100,000
Documentary Credits	2 Business Days	-	-	-	-

In the case of conversion, the notice period applicable to the other Type of Accommodation or Advance into which an Accommodation is to be converted must also be observed.

The day on which any notice is given is included and the day on which the specified action is to occur is excluded in calculating the notice period.

SCHEDULE 3.2(1)
FORM OF BORROWING NOTICE

[Date]

Royal Bank of Canada
155 Wellington Street West - 8th Floor
Toronto, Ontario
M5V 3K7

Attention: Manager Agency Services

Dear Sirs:

The undersigned, Chesswood Group Limited (the "Borrower"), refers to the second amended and restated credit agreement dated January 14, 2022 (as amended, supplemented or restated from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined) among the Borrower, the Collateral Agent, the Agent and the Lenders, and gives you notice pursuant to Section 3.2 of the Credit Agreement that the Borrower requests a Borrowing under the Credit Agreement, and, in that connection, sets forth below the information relating to the Borrowing (the "Proposed Borrowing") as required by Section 3.2 of the Credit Agreement:

1. The date of the Proposed Borrowing, being a Business Day, is .
2. The Type of Advances comprising the Proposed Borrowing is a [SOFR Rate Advance/Term
CORRA Advance/Daily Compounded CORRA Advance/Canadian Prime Rate Advance/U.S.
Prime Rate Advance/Swingline Advance].
3. The aggregate amount of the Proposed Borrowing is .
4. [The initial Interest Period applicable to the Proposed Borrowing and the maturity date is .]
5. Deposit Proceeds to:

Account Name:
Account Number:

Yours truly,

CHESSWOOD GROUP LIMITED

By: _____
Authorized Signing Officer

SCHEDULE 3.3(3)
FORM OF ELECTION NOTICE

[Date]

Royal Bank of Canada
155 Wellington Street West - 8th Floor
Toronto, Ontario
M5V 3K7

Attention: Manager Agency Services

Dear Sirs:

The undersigned, Chesswood Group Limited (the "Borrower"), refers to the second amended and restated credit agreement dated January 14, 2022 (as amended, supplemented or restated from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined) among the Borrower, the Collateral Agent, the Agent and the Lenders and gives you notice pursuant to Section 3.3 of the Credit Agreement that the Borrower elects to [change one Type of Advance to another Type of Advance under the Credit Agreement] [continue a SOFR Rate Advance for an additional Interest Period] [\[continue a CORRA Advance for an additional Interest Period\]](#) and, in that connection, sets forth below the information relating to the election as required by Section 3.3(3) of the Credit Agreement:

1. If the Type of Advance is to be changed:
 - (a) The new Type of Advance is ;
 - (b) The date of such change, being a Business Day, is ;
 - (c) [\[The initial Interest Period applicable to the Advance is days and the date on which the Interest Period is to begin is ;\]](#) and
 - (d) Amount:
2. If the Advance is a SOFR Rate Advance [or a CORRA Advance](#) which is to continue as such for an additional Interest Period, the subsequent Interest Period applicable to such Advance is days and the date on which the Interest Period is to begin is .

Yours truly,

CHESSWOOD GROUP LIMITED

By: _____

Authorized Signing Officer

SCHEDULE 4.3(1)
FORM OF DRAWING NOTICE

[Date]

Royal Bank of Canada
155 Wellington Street West – 8th Floor
Toronto, Ontario
M5V 3K7

Attention: Manager Agency Services

Dear Sirs:

The undersigned, Chesswood Group Limited (the “Borrower”), refers to the second amended and restated credit agreement dated January 14, 2022 (as amended, supplemented or restated from time to time the “Credit Agreement”, the terms defined therein being used herein as therein defined) among the Borrower, the Collateral Agent, the Agent and the Lenders and gives you notice pursuant to Section 4.3 of the Credit Agreement that the Borrower requests a Drawing under the Credit Agreement, and, in that connection, sets forth below the information relating to such Drawing (the “Proposed Drawing”) as required by Section 4.3(1) of the Credit Agreement:

1. The Drawing Date of the Proposed Drawing, being a Business Day, is—.
2. The aggregate Face Amount of Drafts to be accepted and purchased is Cdn. \$—.
3. The maturity date for the Drafts is—, representing a term to maturity of approximately— days.
4. [In the case of a conversion, insert principal amount and the particulars of the Type of Advance to be converted.]

Yours truly,

CHESSWOOD GROUP LIMITED

By:

Authorized Signing Officer

SCHEDULE 5.1
EXISTING DOCUMENTARY CREDITS

CHESWOOD GROUP LIMITED, RBC Fronted, Financial, CAD

LC #	Beneficiary	Maturity	*Amount
10002917	VERSABANK	3/16/2022	405,085.83
10002918	SUN LIFE ASSUR. CO. OF CANADA	3/16/2022	830,000.00
10003044	BNY TRUST COMPANY OF CANADA	9/13/2022	1,500,000.00
10003052	SUN LIFE ASSUR COMP OF CAN	4/27/2022	650,000.00
10006923	BNY TRUST COMPANY OF CANADA IN	9/25/2022	400,000.00
			3,785,085.83

*Amount represents period ending LC balance ** Figures appear in bold when minimum fees apply

CHESWOOD GROUP LIMITED, RBC Fronted, Financial, USD

LC #	Beneficiary	Maturity	*Amount
10010146	SUN LIFE ASSURANCE COMPANY OF	7/18/2022	500,000.00

SCHEDULE 5.2(1)
FORM OF ISSUE NOTICE

[Date]

Royal Bank of Canada
155 Wellington Street West - 8th Floor
Toronto, Ontario
M5V 3K7

Attention: Manager Agency Services

Dear Sirs:

The undersigned, Chesswood Group Limited (the “Borrower”) refers to the second amended and restated credit agreement dated January 14, 2022 (as amended, supplemented or restated from time to time the “Credit Agreement”, the terms defined therein being used herein as therein defined) among the Borrower, the Collateral Agent, the Agent and the Lenders, and gives you notice pursuant to Section 5.2 of the Credit Agreement that the Borrower requests an Issue under the Credit Agreement, and, in that connection, sets forth below the information relating to such Issue as required by Section 5.2 of the Credit Agreement:

1. The date of the Issue, being a Business Day, is .
2. The aggregate Face Amount of the Documentary Credit is \$.
3. The expiration date of the Documentary Credit, being a Business Day is .
4. The proposed Type of Documentary Credit is .
5. The name and address of the Beneficiary is .

Yours truly,

CHESSWOOD GROUP LIMITED

By: _____
Authorized Signing Officer

SCHEDULE 6.1(d)(iii)
LIST OF CREDIT DOCUMENTS

1. Security Agreement from the Borrower
2. Security Agreement from each Guarantor
3. Guarantee from each Guarantor

SCHEDULE 7.1(a)
JURISDICTIONS OF INCORPORATION

<u>Credit Party¹</u>	<u>Jurisdiction of Incorporation</u>
Case Funding Inc.	Delaware
Chesswood Group Limited	Ontario
Chesswood Holdings Ltd.	Ontario
Chesswood US Acquisitionco Ltd.	Delaware
Lease-Win Limited	Ontario
Pawnee Leasing Corporation	Colorado
Tandem Finance Inc.	Colorado
Windset Capital Corporation	Delaware
CHW / Vault Holdco Corp.	Ontario
Blue Chip Leasing Corporation	Ontario
2750036 Ontario Inc.	Ontario
Vault Credit Corporation	Ontario
Vault Home Credit Corporation	Ontario
Chesswood Capital Management Inc.	Ontario
Chesswood Capital Management USA Inc	Delaware

¹ Not including subsidiaries created, established or acquired pursuant to Section 8.2(l)(ii) of the Credit Agreement.

SCHEDULE 7.1(j)
LEASED PROPERTIES

U.S. Leased Property

<u>Property Name</u>	<u>Municipal Address</u>	<u>Location and Province</u>	<u>Property Type</u>	<u>Landlord</u>
Office of Pawnee	3801 Automation Way, Suite 207	Ft. Collins, CO	Office Building	HEO LLC

Canadian Leased Property

<u>Property Name</u>	<u>Municipal Address</u>	<u>Location and Province</u>	<u>Property Type</u>	<u>Landlord</u>
Office of Blue Chip Leasing Corporation	2371 Bristol Circle, Suite A100	Oakville, Ontario	Office Premise	Respon International Group Inc.
Office of Vault Credit Corporation	41 Scarsdale Road, Unit 5	Toronto, Ontario	Office Premise	Equilease Corp.
Office of Vault Credit Corporation	41 Scarsdale Road, Unit 5	Toronto, Ontario	Office Premise	Vault Mortgage Corporation
Sales and Call Center of Vault Credit Corporation	4060 St. Catherine Street West, Suite 430	Montreal, Quebec	Sales and Call Center	Toulon Development Corporation
Head Office of Chesswood Group Limited	1133 Yonge Street, Suite 603	Toronto, Ontario	Office Premise	Waypoint Investment Partners Inc.

SCHEDULE 7.1(v)
CORPORATE STRUCTURE

Name of Credit Party	Is this Entity a Subsidiary of the Borrower?	Share Ownership Details of Subsidiary (including issued and outstanding capital)	Jurisdiction of Incorporation or Organization / Type of Organization	U.S. taxpayer ID Number
Case Funding Inc.	Subsidiary	- Authorized Capital: 3,000 common shares - Outstanding Capital: 2,793 common shares - Beneficial Owner: Chesswood Holdings Ltd. (100%)	Delaware / Delaware corporation	45-2188049
Chesswood Group Limited	Borrower	- Authorized Capital: unlimited number of common shares and an unlimited number of Special Voting shares - Outstanding Capital: Public company - Beneficial Owner(s): public company	Ontario / Ontario corporation	82054-8261
Chesswood Holdings Ltd.	Subsidiary	- Authorized Capital: unlimited number of common shares - Outstanding Capital: 13,976,863 common shares - Beneficial Owner: Chesswood Group Limited (100%)	Ontario / Ontario corporation	87666-0168
Chesswood US Acquisitionco Ltd.	Subsidiary	- Authorized Capital: 21,463 shares of Class A Common Stock (the "Class A Shares") 1,274,601 shares of non-voting Class B Common Stock (the "Class B Shares") 203,936 shares of non-voting Class C Common Stock (the "Class C Shares") - Outstanding Capital: 10,000 Class A Shares 1,274,601 Class B Shares 203,936 Class C Shares - Beneficial Owners:	Delaware / Delaware corporation	98-0494029

		a. Class A Shares: Chesswood Holdings Ltd. b. Class B Shares: i. Robert J. Day: 594,474 ii. Monfort Family Limited Partnership I: 425,207 iii. Samuel L. Leeper: 254,920 c. Class C Shares: i. Robert J. Day: 95,116 ii. Monfort Family Partnership I: 68,033 iii. Samuel L. Leeper: 40,787		
Lease-Win Limited	Subsidiary	1. Authorized Capital: unlimited number of common shares; unlimited number of Class A shares; unlimited number of Class B shares; unlimited number of Class C shares 2. Outstanding Capital: 16,386 common shares 3. Beneficial Owner: Chesswood Group Limited (100%)	Ontario/ Ontario corporation	
Pawnee Leasing Corporation	Subsidiary	1. Authorized Capital: a. 21,463 shares of which are designated Class A voting common stock ("Class A") b. 1,274,601 shares of which are designated Class B non-voting common stock ("Class B") c. 203,936 shares of which are designated Class C non-voting common stock ("Class C") 2. Outstanding Capital: a. 3,215 Class A shares b. 385 Class B shares c. *No Class C shares are issued and outstanding 3. Beneficial Owner:	Colorado / Colorado corporation	84-0884533

		Chesswood US Acquisitionco Ltd. (100%)		
Windset Capital Corporation	Subsidiary	1. Authorized Capital: 3.000 common shares 2. Outstanding Capital: 100 common shares 3. Beneficial Owner: Chesswood US Acquisitionco Ltd. (100%)	Delaware / Delaware corporation	46-3104857
CHW / Vault Holdco Corp.	Subsidiary	1. Authorized Capital: unlimited number of Class A common shares and an unlimited number of Class B common shares; 2. Outstanding Capital: a. 510 Class A common shares b. 490 Class B common shares 3. Beneficial Owners: a. Chesswood Holdings Ltd. (510 Class A common Shares – 51%) b. 2820217 Ontario Inc. (178 Class B common shares – 17.8%) c. HB Leaseco Holdings Inc. (312 Class B common shares – 31.2%)	Ontario / Ontario corporation	N / A
Blue Chip Leasing Corporation	Subsidiary	1. Authorized Capital: unlimited number of common shares; 2. Outstanding Capital: 1,180 common shares; 3. Beneficial Owner: CHW / Vault Holdco Corp. (100%)	Ontario / Ontario corporation	889764098
2750036 Ontario Inc.	Subsidiary	1. Authorized Capital: unlimited number of Class A common shares, Class B common shares, Class C common shares, Class D common shares, Class E common shares, Class F common shares, Class G common shares, Class H common shares, Class I common shares and Class J common shares;	Ontario / Ontario corporation	N / A

		2. Outstanding Capital: a. 931,121.70 Class A common shares b. 125,000 Class B common shares c. 405,710 Class H common shares d. *No Class C common shares, Class D common shares, Class E common shares, Class F common shares, Class G common shares, Class I common shares or Class J common shares are issued and outstanding 3. Beneficial Owner: CHW / Vault Holdco Corp. (100%)		
Vault Credit Corporation	Subsidiary	1. Authorized Capital: unlimited number of Class A common shares, Class B common shares, Class C common shares, Class D common shares, Class E common shares, Class F common shares, Class G common shares, Class H common shares, Class I common shares and Class J common shares; 2. Outstanding Capital: a. 853,958 Class A common shares b. 125,000 Class B common shares c. 186,568 Class H common shares d. *No Class C common shares, Class D common shares, Class E common shares, Class F common shares, Class G common shares, Class I common shares or Class J common shares	Ontario/Ontario corporation	N / A

		are issued and outstanding 3. Beneficial Owner: 2750036 Ontario Inc. (100%)		
Vault Home Credit Corporation	Subsidiary	1. Authorized Capital: Unlimited number of common shares 2. Outstanding Capital: 100 common shares 3. Beneficial Owner: Chesswood Holdings Ltd. (51%) Fifty Inc. (49%)	Ontario/Ontario corporation	N / A
Chesswood Capital Management Inc.	Subsidiary	1. Authorized Capital: Unlimited number of common shares 2. Outstanding Capital: 100 common shares 3. Beneficial Owner: Chesswood Holdings Ltd. (100%)	Ontario/Ontario corporation	N / A
Chesswood Capital Management USA Inc.	Subsidiary	1. Authorized Capital: 1000 Class A shares 2. Outstanding Capital: 1000 Class A shares 3. Beneficial Owner: Chesswood Capital Management Inc. (100%)	Delaware / Delaware Corporation	87-4053582

SCHEDULE 7.1(cc)(i)
LOCATION OF ASSETS AND BUSINESS

	Jurisdiction of Incorporation or Establishment	Chief Executive Office/ Head Office/ Registered Office/ Principal Place of Business	All locations at which the Borrower or Subsidiary carries on business or stores any tangible personal property	Jurisdictions in which the Credit Party has any Account Debtors	Locations that are (i) leased (ii) subject of an agreement for warehousing services (iii) not owned, leased or the subject of such an agreement for warehousing services
Case Funding Inc.	Delaware	1133 Yonge Street, Suite 603, Toronto, ON M4T 2Y7	None	United States	None
Chesswood Group Limited	Ontario	1133 Yonge Street, Suite 603, Toronto, ON M4T 2Y7	None	None	1133 Yonge Street, Suite 603, Toronto, ON M4T 2Y7
Chesswood Holdings Ltd.	Ontario	1133 Yonge Street, Suite 603, Toronto, ON M4T 2Y7	None	None	None
Chesswood US Acquisitionco Ltd.	Delaware	3801 Automation Way, Suite 207 Fort Collins, Colorado 80525	None	None	None
Lease-Win Limited	Ontario	1133 Yonge Street, Suite 603, Toronto, ON M4T 2Y7	None	None	None
Pawnee Leasing Corporation	Colorado	3801 Automation Way, Suite 207 Fort Collins, Colorado 80525	Colorado	Continental United States	3801 Automation Way, Suite 207 Fort Collins, Colorado 80525
Windset Capital Corporation	Delaware	4168 West 12600 South, 2 nd Floor, Riverton, Utah, 84096	Utah	United States	None
CHW / Vault Holdco Corp.	Ontario	41 Scarsdale Road, Unit 5, Toronto, Ontario M3B 2R2	Ontario	Canada	None
Blue Chip Leasing	Ontario	41 Scarsdale Road, Unit 5,	Ontario	Canada	2381 Bristol Circle, Suite

Corporation		Toronto, Ontario M3B 2R2			A100, Oakville, Ontario L6H 5S9
2750036 Ontario Inc.	Ontario	41 Scarsdale Road, Unit 5, Toronto, Ontario M3B 2R2	Ontario	Canada	None
Vault Credit Corporation	Ontario	41 Scarsdale Road, Unit 5, Toronto, Ontario M3B 2R2	Ontario, Quebec	Canada	41 Scarsdale Road, Unit 5, Toronto, Ontario M3B 2R2 4060 St. Catherine Street West, Suite 430, Montreal, Quebec H3Z 2Z3
Vault Home Credit Corporation	Ontario	41 Scarsdale Road, Unit 5, Toronto, Ontario M3B 2R2	Ontario	Canada	41 Scarsdale Road, Unit 5, Toronto, Ontario, M3B 2R2
Chesswood Capital Management Inc.	Ontario	1133 Yonge Street, Suite 603, Toronto, ON M4T 2Y7	None	None	1133 Yonge Street, Suite 603, Toronto, ON M4T 2Y7
Chesswood Capital Management USA Inc.	Delaware	71 Laight Street, Unit 4F, New York, NY, 10013	None	None	None

SCHEDULE 7.1(cc)(ii)
MATERIAL AUTHORIZATIONS

Nil.

SCHEDULE 7.1(cc)(iii)
INTELLECTUAL PROPERTY

PATENTS/PATENT RIGHTS:

Nil.

TRADEMARKS/TRADENAME/TRADEMARK RIGHTS:

Owner	Trademark	Status
Lease-Win Limited	No. 534,018 for CARS4U No. 534,197 for CARS4U & Design No. 632,659 for KARS4U	

COPYRIGHTS:

Nil.

SCHEDULE 7.1(cc)(iv)
LITIGATION

1. MDG Newmarket Inc., c.o.b. as Ontario Energy Group ("OEG"), has brought an action against Chesswood Group Limited in the Ontario Superior Court of Justice seeking \$11,000,000. OEG alleges that Chesswood Group Limited conspired with a competitor of OEG and certain other companies to solicit an exclusive agent of OEG, Mohamed Osman and M.O.E. Enterprises Ltd., to set up a competing business in breach of non-competition and non-solicitation agreements. OEG's allegations of wrongful conduct against Chesswood Group Limited are attributed to an individual who was an officer of a subsidiary of Chesswood Group Limited, but who was at no time an officer, director or employee of Chesswood Group Limited. Chesswood Group Limited has delivered a Statement of Defence denying the allegations and suggest to move the case to pre-trial, to make an offer to end the entire case with no payment to any party.

SCHEDULE 7.1(cc)(v)
EMPLOYEE PLANS

Customary benefits for Chesswood, Pawnee, Blue Chip and Vault employees:

- Health and dental benefits
- Life insurance
- Certain employees of the Chesswood group of companies have been granted stock options, restricted share units to participate in Chesswood's stock compensation plan

Other Benefits

Pawnee

- Pawnee employees participate in a defined contribution plan (Simple IRA Program)
- Bonus plan

Blue Chip

- Bonus plan

Chesswood

- In addition to Chesswood's stock option plan, Chesswood's equity incentive plan, termination and change of control benefits for the CEO and CFO are detailed in the Company's information circular

SCHEDULE 7.1(cc)(vi)
MATERIAL AGREEMENTS

Nil.

SCHEDULE 7.1(cc)(vii)
LABOUR AGREEMENTS

Nil.

SCHEDULE 8.1(a)
FORM OF COMPLIANCE CERTIFICATE

TO: Royal Bank of Canada

AND TO: The Lenders (as defined in the Credit Agreement defined below)

The undersigned refers to the second amended and restated credit agreement dated January 14, 2022 (as amended, supplemented or restated from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined) among Chesswood Group Limited (the "Borrower"), the Collateral Agent, the Agent and the Lenders.

I, the undersigned officer of the Borrower, certify, without personal liability, solely in my capacity as an officer of the Borrower, as applicable, and not individually, to the Agents and the Lenders, that on [date] (the "Determination Date"):

1. I have read the provisions of the Credit Agreement which are relevant to this certificate and have made such examinations or investigations as are necessary to enable me to express an informed opinion on the matters contained in this certificate.

2. As at the Determination Date the following calculations were true and correct:

(a)	Leverage Ratio (Section 8.3(a)) (refer to Exhibit I for details)	x.xxx
(b)	Adjusted Leverage Ratio (Section 8.3(b)) (refer to Exhibit II for details)	x.xxx
(c)	Three Month Average Delinquency Amount as at the end of each calendar month in the applicable Financial Quarter (Section 8.3(c)) (refer to Exhibit III for details)	x.xxx
(d)	CFADS Ratio as at the end of Financial Quarter or a period of Financial Quarter then ended, as applicable (Section 8.3(d)) (refer to Exhibit IV for details)	x.xxx
(e)	Revenue and EBIT Forecast (Section 8.3(e)) (refer to Exhibit V for details)	x.xxx

3. As at this date:

(a) Except as set out on the attached Schedule A, if any:

(i) There have been no changes to the corporate structure as set out in Schedule 7.1(v) to the Credit Agreement;

- (ii) There have been no changes to the information set out in Section 7.1(cc) to the Credit Agreement; and
- (iii) Neither the Borrower nor any of its Subsidiaries owns or leases any real property other than the real property described in Schedule 7.1(j);
- (b) No Default or Event of Default has occurred and is continuing;
- (c) The Borrower is not in breach of any of the covenants, terms and conditions of the Credit Agreement;
- (d) The representations and warranties referred to in Section 6.2(b) of the Credit Agreement are true and correct (in all material respects, other than in respect of representations and warranties which include materiality qualifiers);
- (e) The attached financial information is true and correct in all material respects; and
- (f) The financial statements delivered pursuant to Section 8.1(a) have been prepared in accordance with GAAP in effect on the date of such financial statements and the information contained therein is true and correct in all material respects, and present fairly and consistently the results of operations and changes in the financial position of the Borrower as of and to this date.

DATED the day of , .

Name:

Title:

EXHIBIT I

Details of Leverage Ratio as per Section 8.3(a):

Chesswood Group Limited
Financial Covenant Calculation
Section 8.3(a) Leverage Ratio
As at [month], [year]

	Formula	Ratio < 4.0
	A/B	xxx
Leverage Ratio		
Calculation of Consolidated Indebtedness		
interest bearing Debt		xxx
(plus) Current Derivatives Exposure		xxx
Consolidated Indebtedness	A	xxx
Calculation of Consolidated Tangible Net Worth		
Total shareholders' equity		xxx
(minus) the aggregate amount of advances by the Borrower and the Subsidiaries on a consolidated basis to their securityholders at such time		xxx
(minus) goodwill and intangible assets		xxx
(minus) interests of any shareholder in a Subsidiary (other than Exchangeable Shares)		xxx
Consolidated Tangible Net Worth	B	xxx

EXHIBIT II

Details of Adjusted Leverage Ratio as per Section 8.3(b):

Chesswood Group Limited
Financial Covenant Calculation
Section 8.3(b) Adjusted Leverage Ratio
As at [month], [year]

	Formula	Ratio < 4.0
	$A/(B-C)$	xxx
Leverage Ratio		
Calculation of Consolidated Indebtedness		
interest bearing Debt		xxx
(plus) Current Derivatives Exposure		xxx
Consolidated Indebtedness	A	xxx
Calculation of Consolidated Tangible Net Worth		
Total shareholders' equity		xxx
(minus) the aggregate amount of advances by the Borrower and the Subsidiaries on a consolidated basis to their securityholders at such time		xxx
(minus) goodwill and intangible assets		xxx
(minus) interests of any shareholder in a Subsidiary (other than Exchangeable Shares)		xxx
Consolidated Tangible Net Worth	B	xxx
Equity in SPV Subsidiaries	C	xxx

EXHIBIT III

Details of Three Month Average Delinquency Amount as per Section 8.3(c)

Chesswood Group Limited

Financial Covenant Calculation

Section 8.3(c) Three Month Average Delinquency Amount

As at [Date]

<3%	Actual in Month
[month]	x.xx%
[month]	x.xx%
[month]	x.xx%
[month]	x.xx%
[month]	x.xx%
[month]	x.xx%
[month]	x.xx%
[month]	x.xx%
[month]	x.xx%

EXHIBIT IV

Details of CFADS Ratio as per Section 8.3(d)

Chesswood Group Limited

Financial Covenant Calculation

Section 8.3(d) CFADS Ratio

Exhibit IV

Quarterly and Cumulative to Rolling Twelve Months starting from January 2024

		Rolling Period from January 2024 to			
	Formula	Mar-24	Jun-24	Sep-24	Dec-24
CFADS Ratio > 1.7	A/(B+C)				
Calculation of Cash Flows Available for Debt Service					
Net income		xxx	xxx	xxx	xxx
Amortization & Depreciation		xxx	xxx	xxx	xxx
Amortization of deferred financing costs (non-cash interest exp)		xxx	xxx	xxx	xxx
Other non-cash items - less items above		xxx	xxx	xxx	xxx
Tax expense		xxx	xxx	xxx	xxx
Tax payments		xxx	xxx	xxx	xxx
Provision for credit losses (excluding recoveries)		xxx	xxx	xxx	xxx
Commission amortization		xxx	xxx	xxx	xxx
Change in working capital		xxx	xxx	xxx	xxx
Dividends paid		xxx	xxx	xxx	xxx
Cash From (To) Operations	(1)	xxx	xxx	xxx	xxx
Originations		xxx	xxx	xxx	xxx
Commissions paid		xxx	xxx	xxx	xxx
Net change in NIL - other		xxx	xxx	xxx	xxx
Change in security deposits		xxx	xxx	xxx	xxx
Securitization payments - net		xxx	xxx	xxx	xxx
Payments of financing costs		xxx	xxx	xxx	xxx
Change in restricted cash		xxx	xxx	xxx	xxx
Cash From (To) Finance Receivable Related Items	(2)	xxx	xxx	xxx	xxx
Net Cash Flow	(1)+(2)	xxx	xxx	xxx	xxx
Add: Interest Expense and Bank Fees	(3)	xxx	xxx	xxx	xxx
Cash Flows Available for Debt Service	A = (1)+(2)+(3)	xxx	xxx	xxx	xxx
Consolidated Interest Charges	B	xxx	xxx	xxx	xxx
Actual interest attributable to convertible debentures	C	xxx	xxx	xxx	xxx

EXHIBIT V

Revenue and EBIT Forecast as per Section 8.3(e)

	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24
Actual Revenue Above 80%	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Forecasted Revenue	24,390	24,390	24,390	23,655	23,655	23,655	22,410	22,410	22,410	21,900	21,900	21,900
Actual Revenue	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Actual EBIT Above 80%	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Forecasted EBIT	10,027	10,027	10,027	9,794	9,794	9,794	9,650	9,650	9,650	9,788	9,788	9,788
Actual EBIT	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

This is **Exhibit “B”** referred to in the
Affidavit of Wendy (Wenwei) Chen
sworn before me by video conference
this 27th day of October, 2025


A Commissioner, etc.

Jake Harris, LSO #85481T

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD HOLDINGS
LTD., CHESSWOOD US ACQUISITIONCO LTD., PAWNEE LEASING
CORPORATION, LEASE-WIN LIMITED, WINDSET CAPITAL CORPORATION,
TANDEM FINANCE, INC., CHESSWOOD CAPITAL MANAGEMENT INC.,
CHESSWOOD CAPITAL MANAGEMENT USA INC., RIFCO NATIONAL AUTO
FINANCE CORPORATION, RIFCO INC., WAYPOINT INVESTMENT PARTNERS
INC. and 1000390232 ONTARIO INC.

AFFIDAVIT OF WENWEI (WENDY) CHEN
(Sworn October 28, 2024)

I, Wenwei (Wendy) Chen, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY AS FOLLOWS:

1. I am a Director, Special Loans and Advisory Services, Capital Markets, at Royal Bank of Canada (“**RBC**”) and have knowledge of the matters deposed to in this Affidavit. I am authorized to make this Affidavit on behalf of RBC, in its capacity as administrative agent (the “**Existing Administrative Agent**”) and collateral agent (the “**Existing Collateral Agent**”, together with the Existing Administrative Agent, the “**Agent**”) to the lenders (the “**Existing Lenders**”) under the Existing Credit Agreement (as defined below). Where this Affidavit is not based on my direct personal knowledge, it is based on information and belief, and I verily believe such information to be true.

2. I have reviewed the business records maintained by RBC in respect of the matters at issue, which I verily believe were made in the ordinary and usual course of business, and where I do not have direct personal knowledge of matters deposed to herein, my knowledge is derived from my review of the business records of RBC, relevant copies of which are attached to this Affidavit. Where I refer to matters pertaining to the structure and operation of the Chesswood Group (as defined below) and their businesses, my information is derived from files maintained by RBC, information either obtained from the Chesswood Group directly or from FTI Consulting Canada Inc. (“**FTI**”), financial advisor to Blake, Cassels & Graydon LLP (“**Blakes**”), as counsel to the Agent and Existing Lenders, and publicly available data.

3. This Affidavit is sworn in support of an application (the “**Application**”) by the Agent for an initial order (the “**Initial Order**”) and related relief pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) appointing FTI as monitor (in such capacity, the “**Monitor**”) of the Chesswood Group with certain enhanced powers as set out in the proposed Initial Order.

4. Should the proposed Initial Order be granted, the Agent intends to bring a further application (the “**Comeback Hearing**”), returnable during the initial ten-day stay period (the “**Initial Stay Period**”) seeking an Amended and Restated Initial Order (“**ARIO**”) which is anticipated to include, among other things: (a) an extension of the stay of proceedings; (b) increases to the amount of the DIP Facility and the Interim DIP Charge (each as defined below); (c) a key employee retention plan; and (d) such further relief as may be necessary or desirable.

5. Unless otherwise stated, all amounts set out in this Affidavit are denominated in United States dollars. Capitalized terms used but not defined herein have the meaning given to them in the Existing Credit Agreement (as defined below).

I. OVERVIEW

6. The “**Chesswood Group**” is made up of Chesswood Group Limited (“**Chesswood**” or the “**Borrower**”), a Canadian public company listed under the symbol TSX:CHW, and its direct and indirect subsidiaries: Case Funding Inc., Chesswood Holdings Ltd., Chesswood US Acquisitionco Ltd., Pawnee Leasing Corporation, Lease-Win Limited, Windset Capital Corporation, Tandem Finance, Inc., Chesswood Capital Management Inc., Chesswood Capital Management USA Inc., Rifco National Auto Finance Corporation, Rifco Inc., Waypoint Investment Partners Inc. and 1000390232 Ontario Inc. (collectively, the “**Existing Guarantors**”).

7. The Chesswood Group is a financial services company that provides loans to small businesses and consumers across Canada and the United States. The Chesswood Group focuses on equipment, vehicle and legal financing, specializing in providing loans to a wide range of credit profiles and in niche areas of its three industry verticals. In Canada, the Chesswood Group also operates an investment firm focused on the equipment and consumer financing sectors.

8. The primary secured lenders to the Chesswood Group are the Existing Lenders comprised of RBC, The Toronto-Dominion Bank, The Huntington National Bank, M&T Bank, Canadian Imperial Bank of Commerce and Laurentian Bank of Canada.

9. The Existing Lenders have provided the Credit Facilities (as defined below) to the Chesswood Group pursuant to a second amended and restated credit agreement dated as of January

14, 2022, as amended by a first amending agreement dated as of March 31, 2022, a second amending agreement dated July 26, 2022, a third amending agreement dated December 13, 2022, a fourth amending agreement dated as of June 30, 2023, a fifth amending agreement dated as of December 22, 2023 and a sixth amending agreement dated as of June 21, 2024 (the “**Sixth Amending Agreement**”) (as may be further amended, modified, supplemented, restated or replaced from time to time, the “**Existing Credit Agreement**”).

10. The original commitment of the Existing Lenders (the “**Commitment**”) under the Existing Credit Agreement was a maximum aggregate principal amount of US\$300 million, which Commitment has been reduced from time to time to US\$148 million as of August 9, 2024.

11. As at October 24, 2024, the Chesswood Group owed the Existing Lenders US\$66,254,723.30 and C\$92,797,926.72, together with all legal and professional fees, costs, bank fees and charges, disbursements and expenses incurred by the Agent and the Existing Lenders, and interest which continues to accrue at the applicable rates under the Existing Credit Agreement. In addition, there are outstanding letters of credit in the amount of US\$4,000,000 and C\$6,600,000 issued under the Existing Credit Agreement. As detailed below, the Chesswood Group is in default of its obligations to the Existing Lenders under the Existing Credit Agreement.

12. On January 22, 2024, the Borrower announced that the Chesswood Group was initiating a strategic review (the “**Strategic Review**”) in reaction to challenges stemming from rising interest rates and the struggles of the financial services industry in the wake of regional bank failures in the United States. A Special Committee was formed to consider strategic options for the Chesswood Group, including a sale of certain assets or the wind down of some of its portfolios.

13. On June 14, 2024, the Borrower announced, among other things, that it was in breach of its borrowing base covenants contained in the Existing Credit Agreement by approximately US\$92 million.

14. In addition to the Borrowing Base Event of Default, at that time the Borrower was also in default of various financial covenants, as detailed below.

15. Following the Events of Default by the Borrower, the Existing Lenders entered into several successive waiver agreements (collectively, the “**Waivers**”) with the Chesswood Group pursuant to which the Existing Lenders agreed to waive the Events of Default of the Chesswood Group for a limited period of time (the “**Waiver Period**”) during which Chesswood Group would seek to sell certain of its assets in order to pay down the amounts owing to the Existing Lenders under the Existing Credit Agreement.

16. On August 15, 2024 the Ontario Securities Commission (the “**OSC**”) issued a failure to file cease trade order (the “**Cease Trade Order**”) against Chesswood due to Chesswood’s failure to file certain financial statements for Q2 of 2024, giving rise to yet another Event of Default under the Existing Credit Agreement.

17. Although Chesswood Group was successful in completing several sale transactions during the Waiver Period, it was unable to effect sales of the large part of its business before the last Waiver terminated on October 16, 2024, without further extension. As a result, several Events of Default have occurred and are continuing under the Existing Credit Agreement and new borrowings under the Existing Credit Agreement are no longer permitted under the Existing Credit Agreement.

18. Chesswood Group is unable to continue to operate without additional funding from the Existing Lenders. The Existing Lenders are prepared to provide debtor in possession funding to the Chesswood Group but only in the context of a creditor initiated proceeding under the CCAA where the Monitor is granted enhanced powers.

19. The Agent's counsel, Blakes, has prepared Demands and Section 244 Notices (each as defined below) which were issued on October 28, 2024 to the Chesswood Group.

20. I understand that the Chesswood Group does not oppose the granting of the Initial Order, that the board of directors will be resigning prior to the court hearing of this Application for an Initial Order and anticipate that it will be providing a consent to immediate enforcement prior to the Application hearing.

II. THE CHESSWOOD GROUP

The Business

21. Chesswood Group provides financing solutions to Canadian and US markets not served by traditional financial institutions in Canada and the United States. The Chesswood Group has several business verticals, which are serviced by different members of the Chesswood Group. Attached hereto as **Exhibit "A"** is an organizational chart outlining the corporate structure of the Chesswood Group.

22. In Canada, the Existing Guarantor, Rifco National Auto Finance Corp. ("**Rifco**"), provides financing for new and used consumer vehicles. The Existing Guarantor, 1000390232 Ontario Inc. ("**Easy Legal**"), provides legal financing services. The Existing Guarantor, Lease-Win Limited ("**Lease-Win**"), ceased operations several years ago.

23. The Chesswood Group also provides investment opportunities in Canada through Waypoint Investment Partners Inc. (“**Waypoint**”). Waypoint is an investment firm and private client investment manager, offering funds with exposure to, among other things, the equipment financing sector and equipment and consumer financing credit. Chesswood Capital Management Inc. (“**CCM**” and, together with Rifco, Easy Legal, Lease-Win and Waypoint, the “**Existing Canadian Guarantors**”) is a holding company that is the direct parent of Waypoint and CCM USA (as defined below).

24. Rifco Inc. is a holding company that is the direct parent of Rifco. Chesswood Holdings Ltd. (“**Holdings**” and, together with CCM, Rifco, Rifco Inc., Easy Legal, Lease-Win and Waypoint, the “**Existing Canadian Guarantors**”) is a holding company that is the direct parent of Lease-Win, CCM, Chesswood US (as defined below) and Case Funding (as defined below).

25. In the U.S., Pawnee Leasing Corporation (“**Pawnee**”), specializes in equipment financing across a wide range of credit profiles.

26. Chesswood Group’s other U.S. entities, Case Funding Inc. (“**Case Funding**”), Windset Capital Corporation (“**Windset**”) and Tandem Finance, Inc. (“**Tandem**”), have ceased operations. Windset ceased operations some time ago and no longer has any collection activities, whereas Tandem’s operations have been absorbed into Pawnee. As a result, only Tandem continues to service loans. Chesswood U.S. Acquisitionco Ltd. (“**Chesswood US**”) is a holding company that is the direct parent of Windset, Tandem and Pawnee.

27. Chesswood Capital Management USA Inc. (“**CCM USA**” and, together with Case Funding, Windset, Tandem, Pawnee and Chesswood US, the “**Existing US Guarantors**”) collects a management fee through Pawnee but does not have any other active operations.

28. Pawnee holds the equity in the SPVs (as defined below), and also holds a 10% interest in Bishop Holding LLC (“**Bishop**”), a special purpose securitization vehicle which does not engage in any business or activity other than acting as purchaser of loan and lease assets from Pawnee and contributing them to Bishop Holdings Finance Trust (“**Bishop Trust**”, a trust settled by Bishop), which purchases are funded by one of the Securitization Funders (as defined below). An unrelated third party, W-Bishop S LLC, holds the remaining 90% equity in Bishop.

29. Members of the Chesswood Group are either borrowers or guarantors under the Existing Credit Agreement. Certain of them are servicers of loan and lease assets, which have been sold by a Chesswood Group entity to securitization entities or directly to third party funders.

30. Pawnee and Rifco, along with special purpose securitization vehicles that are not subject to these proceedings, including Pawnee Receivable Fund III LLC, PLC Equipment Finance Fund LLC, Pawnee Equipment Receivables (Series 2020-1) LLC, Pawnee Equipment Receivables (Series 2021-1) LLC, and Pawnee Equipment Receivables (Series 2022-1) LLC (collectively, the “**SPVs**”), are party to a number of securitization and servicing agreements (collectively, the “**Securitization Agreements**”) with various Securitization Funders.

31. Fundamentally, the Securitization Agreements function as packages of equipment leases and loans, along with the related receivables, that are sold by Pawnee to SPVs (with Securitization Funders financing the acquisition) or are sold by Rifco direct to Securitization Funders. Generally, the Securitization Agreements include reserves, and the pricing is calculated

to anticipate a certain amount of loan and lease payment delinquencies and defaults, to account for the risk to the Securitization Funders of end-user lessees defaulting on loan and lease payments.

32. Pursuant to the Securitization Agreements (or in separate but related servicing agreements, as applicable) between Pawnee or Rifco and the applicable SPV or the Securitization Funder, Pawnee and Rifco have been respectively appointed to handle administrative and servicing matters in respect of the loans and leases that have been sold pursuant to the Securitization Agreements. Pawnee or Rifco, as applicable, are accordingly required pursuant to the applicable Securitization Agreements (or related servicing agreements, as applicable) to continue to administer or “service” the loans and leases on behalf of the applicable Securitization Funders. Servicing includes communications with the ultimate customer, the collection of payments and, in the event of loan or lease defaults, demanding repayment and repossessing the subject assets. The Securitization Agreements generally also permit the Securitization Funders to replace Pawnee or Rifco, as applicable, as servicer if specified events occur, including in some instances, an insolvency of Pawnee or Rifco, as applicable, or Chesswood.

33. The Chesswood Group has used securitization to generate funding (i.e., the upfront payment) that it then redeployed to grow its business. If the securitized assets perform as initially anticipated, related cash flows available to be remitted to the applicable Securitization Funders will be sufficient to cover its upfront payment plus anticipated yield and expense amounts, as well as an anticipated residual value on the related assets, which revert back to the original seller of the securitized assets once the current obligations to the Securitization Funder are paid in full.

34. For Pawnee’s Securitization Agreements, Pawnee earns a separate servicing fee for the services undertaken by it for the Securitization Funder. For Rifco’s Securitization Agreements,

Rifco does not earn a separate servicing fee for the services undertaken by it; rather its compensation for servicing is embedded in the upfront payment it receives such that the securitized assets are sold to the SPV or Securitization Funder on a “fully serviced basis”.

35. A more detailed analysis of the Securitization Agreements is required to understand all stakeholder interests and will be set out in a future report to the Court by the proposed Monitor.

Corporate Structure

36. Chesswood is a corporation incorporated pursuant to the laws of Ontario. Its shares were publicly traded on the Toronto Stock Exchange until the issuance of the Cease Trade Order on August 15, 2024. Attached hereto as **Exhibit “B”** is a corporate profile report for Chesswood.

37. Chesswood is the direct or indirect parent of all the Existing Guarantors.

38. Holdings, Easy Legal, Lease-Win, CCM and Waypoint are all corporations incorporated pursuant to the laws of Ontario.

39. Rifco Inc. and Rifco are corporations incorporated pursuant to the laws of Alberta.

40. CCM US, Chesswood US, Case Funding and Windset are all corporations incorporated pursuant to the laws of Delaware.

41. Tandem and Pawnee are both corporations incorporated pursuant to the laws of Colorado.

42. Attached hereto collectively as **Exhibit “C”** are corporate profile reports or certificates of good standing, as applicable, for each Existing Guarantor.

43. The SPVs are affiliates of the Chesswood Group that do not engage in any business or activity other than acting as purchaser of securitized assets, and as an issuer of asset-backed obligations, among other things, under Securitization Agreements. Waypoint Private Credit Fund LP (“**Waypoint LP**”) and its general partner Waypoint Private Credit Fund GP Inc. (“**Waypoint GP**”) are affiliates of the Chesswood Group but the limited partners in Waypoint LP are arm’s length third parties. I understand that Waypoint LP does not engage in any business or activity other than acting as purchaser of securitized assets from PLC Equipment Finance Fund LLC. For these reasons, at this time, no relief is being sought with respect to the SPVs, Waypoint LP, Waypoint GP, Bishop and Bishop Trust.

Employees

44. The Chesswood Group employs approximately 166 people. Approximately 90 of those employees are located in Canada, and approximately 76 are located in the United States. I understand that none of the Chesswood Group’s employees are unionized.

Leased Premises

45. The Borrower’s head office is located in Toronto, Ontario. The Borrower pays a usage fee to Vault (as defined below), who leases the premises from a third party, in exchange for the use of the premises.

46. Rifco leases office space in Red Deer, Alberta. The landlord for that office space is JEB2 Properties Inc.

47. Pawnee leases office space in Fort Collins, Colorado. The landlord for that office space is HEO LLC.

48. The other Existing Canadian Guarantors utilize virtual office services in British Columbia, Alberta, Nova Scotia and New Brunswick.

49. The other Existing US Guarantors in the Chesswood Group have ceased active operations as detailed above and, therefore, have no leased premises.

Syndicate Credit Facilities and Loan and Security Documents

50. The Existing Credit Agreement established a revolving facility (the “**Revolving Facility**”) in the maximum principal amount of US\$300,000,000, which included a swingline credit facility (the “**Swingline Facility**”, together with the Revolving Facility the “**Credit Facilities**”) in the maximum principal amount of US\$7,000,000. Attached hereto as **Exhibit “D”** is a copy of the Sixth Amending Agreement to the Existing Credit Agreement, which attaches a conformed Existing Credit Agreement.

51. The availability of borrowings to Chesswood under the Credit Facilities (defined as an Accommodation under the Existing Credit Agreement) is determined by a borrowing base (the “**Borrowing Base**”) which is determined by a detailed formula in the Existing Credit Agreement based on the value of certain specified eligible receivables and specified margins, plus certain specified limits (the “**Lending Limit**”). The Borrowing Base as set out in the most recently delivered Borrowing Base certificate (the “**Borrowing Base Certificate**”) is required to be delivered by Chesswood to the Agent weekly. Prior to the occurrence of the Borrowing Base Deficiency (as defined below), that requirement was monthly. For each requested borrowing, Chesswood is required to deliver a Borrowing Base Certificate, in the form attached to the Existing Credit Agreement, which certifies the various amounts required to calculate the Borrowing Base Certificate.

52. As described in further detail below, certain financial irregularities were discovered at the end of May 2024, resulting in the Lending Limit being exceeded and a Borrowing Base deficiency of approximately US\$92 million (the “**Borrowing Base Deficiency**”).

53. Through a series of amendments to the Existing Credit Agreement and the Waivers precipitated by the Borrowing Base Deficiency, the maximum amount of the Revolving Facility has been reduced to US\$148 million as of August 9, 2024. Pursuant to the terms of certain Waivers, the Swingline Facility was cancelled.

54. As at October 24, 2024, the total amount outstanding under the Credit Facilities (the “**Indebtedness**”) was US\$66,254,723.30 and C\$92,797,926.72, together with all legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent and the Existing Lenders, and interest which continues to accrue at the applicable rates under the Existing Credit Agreement. In addition, there are outstanding letters of credit in the amount of US\$4,000,000 and C\$6,600,000 issued under the Existing Credit Agreement. A breakdown of the Indebtedness is as follows:

Facility or Bank Fee	Amount
US Prime Rate Advances	US\$ 65,834,462.12
Interest	US\$ 411,972.46
Canadian Prime Rate Advances	C\$ 92,334,580.61
Interest	C\$ 452,948.84
Documentary Credits (LCs)	C\$ 6,600,000.00
	US\$ 4,000,000.00
LC Fee	C\$ 10,397.27
	US\$ 6,301.37
Commitment Fee	US\$ 1,987.35

55. To secure the Borrower’s obligations under the Existing Credit Agreement, the Borrower granted the Agent, among other things, a security interest (the “**Borrower Security**”)

over all of its present and after acquired undertaking and property pursuant to a security agreement dated as of December 8, 2014 (the “**Borrower GSA**”). A copy of the Borrower GSA is attached hereto as **Exhibit “E”**.

56. Each Existing Guarantor has guaranteed the obligations of the Borrower under the Existing Credit Agreement pursuant to guarantees (collectively, the “**Existing Guarantees**”). Attached hereto as **Exhibit “F”** are copies of the Existing Guarantees.

57. To secure the obligations in the Existing Guarantees, each of the Existing Guarantors has also granted the Agent a security interest (the “**Guarantor Security**”) over all of its respective present and after acquired undertaking and property pursuant to security agreements (collectively, the “**Existing Guarantor GSAs**”). Attached hereto as **Exhibit “G”** are copies of the Existing Guarantor GSAs.

58. Registrations against the Borrower and the Existing Canadian Guarantors were filed in the Ontario Personal Property Security Registration (“**PPSR**”) system in favour of the Agent. Attached hereto as **Exhibit “H”** are copies of the PPSR search results evidencing the Agent’s registrations.

59. Registrations were also filed against Rifco, Rifco Inc. and Easy Legal in the Alberta Personal Property Registry (the “**Alberta PPR**”) in favour of the Agent. Attached hereto as **Exhibit “I”** are copies of the Alberta PPR search results evidencing the Agent’s registrations.

60. Registrations in favour of the Agent against Rifco, Waypoint and Easy Legal were also filed in the personal property registration systems of British Columbia, New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island and Saskatchewan and against Rifco and

Waypoint in the personal property registration system of Manitoba. Attached hereto as **Exhibit “J”** are copies of the search results from the personal registration systems of these provinces evidencing the Agent’s registrations.

61. Filings against the Existing US Guarantors were made in the Uniform Commercial Code (“UCC”) filing systems of Delaware and Colorado. Attached as **Exhibit “K”** is a summary of the searches as against the Existing US Guarantors evidencing the UCC filings in favour of the Agent.

Securitization Facilities

62. Pawnee and Rifco, together with the related SPVs or third party securitization special purpose entities, as applicable, are party to several Securitization Agreements with the following securitization funders:

- (a) Sun Life Assurance Company of Canada, as administrative agent and purchaser of assets originated by Rifco (“**Sun Life**”);
- (b) PLC Equipment Finance Fund LLC, as purchaser of assets originated by Pawnee, and Sun Life, as administrative agent on behalf of lenders having funded such purchases;
- (c) Versabank, as purchaser of assets originated by Rifco;
- (d) Securcor, Trust as purchaser of assets originated by Rifco;
- (e) connectFirst Credit Union, as purchaser of assets originated by Rifco;

- (f) Pawnee Portfolio Fund LLC, as purchaser of assets originated by Pawnee, and RBC, as administrative agent on behalf of the lenders having funded such purchases;
- (g) The Bancorp Bank, N.A., as purchaser of assets originated by Pawnee;
- (h) CCM Loan & Lease LLC, as purchaser of assets originated by Pawnee, and UMB Bank, National Association, as administrative agent on behalf of the lenders having funded such purchases;
- (i) PLC Equipment Finance Fund LLC, as purchaser of assets originated by Pawnee, and Waypoint LP as lender having funded such purchases;
- (j) Bishop, as purchaser of assets originated by Pawnee, and Bishop Trust, as further purchaser of such assets, and Deutsche Bank AG, New York Branch, as administrative agent on behalf of the lenders having funded such purchases;
- (k) VP Polus Trust, as purchaser of assets originated by Pawnee, and Truist Bank, as administrative agent on behalf of the lenders having funded such purchases; and
- (l) certain holders of publicly held asset-backed securities issued by each of Pawnee Equipment Receivables (Series 2020-1) LLC, Pawnee Equipment Receivables (Series 2021-1) LLC, and Pawnee Equipment Receivables (Series 2022-1) LLC, which noteholders are respectively represented by Deutsche Bank Trust Company Americas, as indenture trustee, and the proceeds of which notes were used to purchase assets originated by Pawnee.

(collectively, the “**Securitization Funders**” and each a “**Securitization Funder**”).

63. Pawnee or Rifco, as applicable, have established separate deposit accounts in respect of certain of the Securitization Funders, into which the pre-authorized payments made by the customers under leases securitized with a Securitization Funder are directly deposited. In other cases, the collections on loan or lease assets sold to a Securitization Funder are commingled with the other cash deposits of Pawnee or Rifco, as applicable. The amounts collected are then disbursed by Pawnee, Rifco or the applicable SPV, as applicable, to the respective Securitization Funder. For scenarios where pre-authorized payments are returned for insufficient funds, or in which a loan obligor or lessee is otherwise delinquent, the collections of such amounts (the “**Soft Collections**”) are made by Pawnee or Rifco, as applicable, and such collections are temporarily deposited in the general account and, after reconciliation, are paid to the applicable Securitization Funder.

64. With respect to the SPVs, in certain instances they also have their own deposit-only account in which the loan and lease collections are deposited through pre-authorized payments. With respect to any Soft Collections, those are collected by Pawnee or Rifco, as applicable.

65. As noted above, a more detailed analysis of the Securitization Agreements will be set out in a future report to the Court by the proposed Monitor.

Other Secured Creditors

66. As set out in the personal property registration searches previously attached as Exhibits “H”, “I” and “J”, and the UCC searches previously attached as Exhibit “K”, and summarized below, there are other secured parties with registrations against the Borrower, the Existing Canadian Guarantors and the Existing US Guarantors. The majority of these registrations are in respect of motor vehicle leases or repairers liens.

67. In accordance with the requirements of the Chesswood Group's various Securitization Agreements, there are financing statements or security registrations registered against the relevant Chesswood Group entity in favour of the applicable SPV or Securitization Funder, or both, in the appropriate filing jurisdiction. The purpose of such financing statements and security registrations is to perfect the applicable SPV's or Securitization Funder's interests in the securitized loans and leases purchased by the SPV or Securitization Funder and certain cash reserve accounts related to such securitized loans and leases, as applicable.

Unsecured Creditors

68. A putative class action claim (the "**Class Action**") was brought by proposed representative plaintiff Shane McCormick against Chesswood and certain former and current officers of Chesswood alleging that Chesswood published corrective disclosure that caused its share price to drop significantly and sets out a number of claims seeking unspecified monetary relief and non-monetary relief.

69. The Class Action was issued on October 11, 2024 but to my knowledge has not yet been served on the defendants.

70. I understand that the Monitor will be providing a summary of other unsecured creditors of the Chesswood Group in its pre-filing report.

Accounts and Cash Management System

71. The Chesswood Group maintains cash management systems to consolidate and track funds generated by the various operations of the Chesswood Group which include (i) bank accounts into which collections from the securitized loan and lease assets (the "**Securitization Collections**") are exclusively deposited (the "**Securitization Accounts**"), (ii) bank accounts in

which Securitization Collections are commingled with other collections from Chesswood Group owned loans and leases (the “**Commingled Securitization Accounts**”) and accordingly for such accounts the applicable Chesswood Group entity does not have the exclusive right and title to the amounts deposited into such accounts, and (iii) bank accounts in respect of which the applicable Chesswood Group entity has exclusive right and title to the amounts deposited into such accounts (collectively, the “**Exclusively Controlled Accounts**”).

72. The Exclusively Controlled Accounts located in Canada are maintained with RBC, and the Exclusively Controlled Accounts located in the United States are maintained with JPMorgan Chase Bank, N.A. (“**JPM**”). The Commingled Securitization Accounts located in Canada are maintained with RBC and ATB Financial, and the Commingled Securitization Accounts located in the United States are maintained with JPM. Although the SPVs have segregated accounts that hold Securitization Collections, there are currently no Securitization Accounts that exclusively hold Securitization Collections.

73. In accordance with the Waivers, Chesswood agreed to deposit all proceeds from asset dispositions and all cash received from ongoing operations of the Chesswood Group into an Exclusively Controlled Account, other than those required to be deposited into a Securitization Account in connection with Permitted Asset Financing Transactions and, similarly, not to withdraw any amounts from a Commingled Securitization Account except as required under such transactions or as otherwise permitted under the Waivers.

74. Each Exclusively Controlled Account is subject to a deposit account control agreement (or similar) for the benefit of the Existing Lenders, under which each respective account bank agreed to comply with the Agent’s instructions following the delivery of a trigger notice. On

October 28, 2024, the Agent delivered trigger notices in respect of each Exclusively Controlled Account.

Cash Flow Forecasts

75. I understand that the cash flow forecast for the 14-week period ending January 31, 2025 will be included in the pre-filing report of the Monitor.

III. EVENTS OF DEFAULT AND WAIVERS

Chesswood Group's Financial Difficulties and Strategic Review

76. The Chesswood Group has been suffering from poor financial performance over at least the past eighteen months. Rising interest and operating costs and portfolio write-downs have caused a significant decline in profitability, leading to a net loss of approximately US\$33 million in 2023.

77. On January 22, 2024, the Borrower announced the Strategic Review via a press release. Pursuant to the Strategic Review, a Special Committee of Chesswood directors was appointed and several options, including the sale of certain of the Chesswood Group's assets and the wind down of certain business units were considered. A copy of the press release, dated January 22, 2024, is attached hereto as **Exhibit "L"**.

Financial Irregularities and Corresponding Event of Default

78. During the course of its annual audit of the Borrowing Base for the Agent, which was based on the March 31, 2024 Borrowing Base, CBIZ MHM, LLC ("CBIZ") discovered a significant Borrowing Base Deficiency. The amount of the Borrowing Base Deficiency was

initially calculated to be approximately US\$50 million and subsequently increased to approximately US\$92 million.

79. In a further press release on June 14, 2024 Chesswood disclosed the Borrowing Base Deficiency and announced that the Special Committee had come to the view that it was in the Chesswood Group's best interests to actively pursue a sale of one or more of its business units or the company as a whole, and failing such sale (or sales), to commence an orderly winddown of one or more of its business units. The Special Committee based this view on a variety of factors, including the challenging economic conditions facing specialty finance companies and Chesswood Group's ongoing capital constraints. A copy of the press release dated June 14, 2024 is attached hereto as **Exhibit "M"**.

80. As confirmed by certain Borrowing Base Certificates delivered by the Borrower prior to the date hereof, the Accommodations Outstanding under the Existing Credit Agreement had exceeded the Lending Limit. This constituted an Event of Default under Section 10.1(a) of the Existing Credit Agreement (the "**Borrowing Base Event of Default**"). While the Fourth Amended and Restated Waiver Agreement, dated October 2, 2024 (the "**Fourth A&R Waiver**"), temporarily waived this Event of Default, as well as other Events of Default described below, the Fourth A&R Waiver terminated on October 16, 2024.

81. On July 22, 2024, Chesswood announced via another press release (the "**July 22 Press Release**") that it had determined that it would have to prepare and file restated financial statements and management's discussion and analysis ("**MD&A**") for the three months ended March 31, 2024 as a result of the Borrowing Base Deficiency and the resulting Borrowing Base Event of Default. Chesswood also announced in the July 22 Press Release that it would suspend

any further borrowing capacity and suspend any loan originations by Pawnee and Rifco. A copy of the July 22 Press Release is attached hereto as **Exhibit “N”**

82. In the July 22 Press Release, Chesswood also indicated that its management was engaged in a review of the Borrowing Base calculations, financial statements and MD&A for the prior year to determine whether those also required restatement. To my knowledge, no such restatements have been filed.

Other Defaults under Existing Credit Agreement

83. With the termination of the Fourth A&R Waiver, in addition to the Borrowing Base Event of Default, the following additional Events of Default have occurred and are continuing under the Existing Credit Agreement:

- (a) The Borrower is required under Section 8.3(b) of the Existing Credit Agreement to maintain, at all times, an Adjusted Leverage Ratio of not more than 4.0:1. Chesswood notified the Agent and the Existing Lenders that on the last day of the Financial Quarters ended June 30, 2024 and September 30, 2024, the Borrower's Adjusted Leverage Ratio was more than 4.0:1, which resulted in Events of Default under Section 10.1(d) of the Existing Credit Agreement.
- (b) The Borrower is required under Section 8.3(d) of the Existing Credit Agreement to maintain, at all times commencing January 1, 2024, a CFADS Ratio of not less than 1.70:1. The Borrower notified the Agent and the Existing Lenders that on the last day of the Financial Quarters ended June 30, 2024 and September 30, 2024, the

Borrower's CFADS Ratio was less than 1.70:1, which resulted in Events of Default under Section 10.1(d) of the Existing Credit Agreement.

- (c) The Borrower is required under Section 8.3(e) of the Existing Credit Agreement to maintain monthly revenue and Consolidated EBIT at not less than 80% of the amounts specified for each such month in the Monthly Forecast. The Borrower's failure to meet this requirement for the months of April through September 2024 resulted in Events of Default under Section 10.1(d) of the Existing Credit Agreement.
- (d) The Borrower is required under Sections 4(h) and 5(h) of the Fourth A&R Waiver to file its interim financial statements, management's discussion and analysis and associated certifications with the Ontario Securities Commission for the period ended June 30, 2024. The Borrower's failure to meet this requirement resulted in an Event of Default in accordance with Section 2 of the Fourth A&R Waiver; and
- (e) The Borrower is required under Sections 8.1(a)(i) and Section 8.1(a)(iii) of the Existing Credit Agreement to deliver to the Agent and the Existing Lenders within 45 days after the end of the first three Financial Quarters in each Financial Year (i) a consolidated balance sheet of the Borrower as of the end of the applicable Financial Quarter, and (ii) the related consolidated statements of earnings and changes in financial position for the Financial Quarter and for the period commencing at the end of the previous Financial Year and ending with the end of the Financial Quarter; in each case (except for the statement of changes in financial position) setting forth in comparative form the figures for the corresponding

Financial Quarter and corresponding portion of the previous Financial Year, together with (X) a Compliance Certificate and (Y) copies of the financial statements of the Subsidiaries used for purposes of preparing such consolidated financial statements. The Borrower's failure to meet this requirement for the Financial Quarter ended June 30, 2024, resulted in an Event of Default under Section 10.1(e) of the Existing Credit Agreement.

Waivers and Sale Transactions

84. Following the Borrowing Base Event of Default and other Events of Default described above, the Existing Lenders entered into the Waivers with the Borrower.

85. The first Waiver was entered into on June 14, 2024 and pursuant to that Waiver, the Existing Lenders agreed to waive the Events of Default of the Chesswood Group for the duration of the Waiver Period, during which Chesswood Group would seek to sell certain of its assets in order to reduce the Credit Obligations.

86. The Chesswood Group was successful in completing several sale transactions, detailed below, during the Waiver Period. However, it has been unable to effect sales of a large part of its business, which would have resulted in a decrease in the amount of the Accommodations Outstanding.

87. Rifco completed a Permitted Asset Financing Transaction in June 2024, which resulted in net proceeds of approximately C\$9,500,000, and in July 2024, which resulted in net proceeds of approximately C\$9,500,000.

88. On August 9, 2024, Chesswood sold all of its interests in Vault Credit Corporation, Vault Home Credit Corporation and CHW/Vault Holdco Corp. (together, “**Vault**”), representing the entirety of Chesswood’s Canadian equipment leasing and non-legal financing business segment, to an affiliate of HB Leaseco Holdings Inc. (the “**Vault Purchaser**”).

89. Pursuant to the purchase agreement, the Vault Purchaser acquired Chesswood’s 51% interest in Vault for an amount equal to C\$60,000,000, the proceeds of which were used to reduce the Accommodations Outstanding.

Cease Trade Order

90. Compounding the Chesswood Group’s difficulties during this period, on August 7, 2024, Chesswood announced via press release that it would not be able to file with the OSC, within the required period, interim financial statements, MD&A and associated certifications (the “**Interim Filings**”) for the period ended June 30, 2024 (the “**Q2 Interim Filings**”). Chesswood explained that it could not file the Q2 Interim Filings when due primarily because of its need to restate and refile its Interim Filings for the period ended March 31, 2024 (the “**Q1 Interim Filings**”), as detailed above. Chesswood also noted that it had applied to the OSC for a management cease trade order (“**MCTO**”). A copy of the press release, dated August 7, 2024, is attached hereto as **Exhibit “O”**.

91. The OSC denied Chesswood’s application for an MCTO and, on or about August 14, 2024, it notified Chesswood that it would issue the Cease Trade Order as a result of Chesswood’s failure to restate and refile its Q1 Interim Filings and its expected failure to file its Q2 Interim Filings. A copy of Chesswood’s press release, dated August 14, 2024, announcing the impending Cease Trade Order is attached hereto as **Exhibit “P”**.

92. Chesswood was unable to complete Q2 Interim Filings when due on August 14, 2024. The OSC proceeded to issue the Cease Trade Order against Chesswood after market close on August 15, 2024. To my knowledge, the Cease Trade Order has not been lifted. A copy of the Chesswood press release, dated August 16, 2024, announcing the issuance of the Cease Trade Order is attached hereto as **Exhibit “Q”**.

Termination of Waiver Period and Demands

93. The Fourth A&R Waiver terminated on October 16, 2024 without a further extension of the Waiver Period.

94. Pursuant to Section 10.2 of the Existing Credit Agreement, upon the occurrence of an Event of Default, the Administrative Agent, with the consent of the Majority Lenders, may:

- (a) terminate the Existing Lenders’ obligations to make further Accommodations under the Credit Facilities; and
- (b) declare all Credit Obligations of the Borrower, including principal, interest, fees, and other amounts (whether matured or unmatured), to be immediately due and payable, without further demand, presentation, protest, or other notice of any kind, all of which are expressly waived by the Borrower.

95. On October 28, 2024, the Agent delivered written notices, in accordance with the Existing Credit Agreement, to the Borrower (the “**Borrower Demand**”) and the Existing Guarantors (the “**Guarantor Demands**” and together with the Borrower Demand, the “**Demands**”) notifying them that the Existing Lenders were terminating the Commitment, declaring the Credit Obligations immediately due and payable and demanding payment from the

Borrower and Existing Guarantors of all Credit Obligations, with interest at the applicable rates under the Existing Credit Agreement. Copies of the Borrower Demand and the Guarantor Demands are attached hereto as **Exhibit “R”**.

96. Concurrently with the Demands, the Agent also delivered notices of intention to enforce security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada) to the Chesswood Group entities (the “**Section 244 Notices**”).

97. I understand that the Chesswood Group entities will execute consents to waive the 10-day notice period under the Section 244 Notices prior to the hearing of this Application.

The Chesswood Group Is Insolvent and Lacking Liquidity to Maintain Operations

98. As a result of the aforementioned events and the termination of the Waiver Period, the Chesswood Group is insolvent, unable to meet its obligations as they come due, unable to repay the Existing Lenders, and does not have the cash flow to fund its operations in the ordinary course.

99. Additionally, the Chesswood Group has over C\$800 million of loan and lease assets securitized with various Securitization Funders. Some Securitization Funders are, in accordance with the provisions of the related Securitization Agreements, holding back funds owing to the Chesswood Group as a result of loan asset performance issues and the triggering of maximum loss ratios pursuant to the related Securitization Agreements.

100. In addition, the Securitization Funders have not been funding new securitizations of loan and lease assets originated by Pawnee or Rifco. In respect of previously securitized loan and lease assets, certain of the Securitization Funders have either indicated an intention to remove or have already removed such assets from the administrative control of Pawnee or

Rifco. Additionally, the ongoing appointments of Pawnee or Rifco as servicers of securitized loan and lease assets have either been terminated, with replacement servicers already appointed by the applicable Securitization Funders in accordance with the terms of the applicable Securitization Agreement, or the Securitization Funders have reserved their rights to do so. On October 23, 2024 and October 24, 2024, Versabank, Sun Life, Securcor and connectFirst Credit Union terminated Rifco as the “servicer” under the applicable Securitization Agreements with Rifco, on the basis of the occurrence of servicer termination events pursuant to the provisions of the applicable Securitization Agreements.

101. Where servicer termination events have occurred under any of the Securitization Agreements, and where the related Securitization Funder has terminated Pawnee or Rifco, as applicable, as servicer (which has already occurred pursuant to all of Rifco’s Securitization Agreements), all residual proceeds from any securitized loan and lease assets to which the original seller (Rifco or Pawnee, as applicable) would be entitled are automatically locked-up (i.e. deposited into reserve accounts). No such residual proceeds may be remitted to Rifco or Pawnee, as applicable, until full repayment of amounts owing to the applicable Securitization Funders. As a result, the flow of funds to repay the Credit Obligations could be delayed as far out as 2032.

IV. CCAA PROCEEDINGS AND RELIEF SOUGHT

Need for CCAA Proceedings

102. As set out herein, the Chesswood Group is unable to meet its obligations as they come due. In order to continue operating in the normal course, Chesswood Group needs interim financing.

103. Chesswood Group has debt in excess of \$5 million, is insolvent and is facing a major liquidity crisis. The Existing Lenders have demanded repayment of the outstanding Credit Obligations and the Chesswood Group is not in a financial position to make repayment at this time.

104. As a result of these pressures, Chesswood Group cannot continue to operate without CCAA protection.

105. The Existing Lenders have agreed to provide the DIP Facility to address Chesswood Group's liquidity issues on the condition that Chesswood Group be granted protection under the CCAA under the oversight of a Monitor with enhanced powers.

106. The Agent has brought this Application for a creditor-initiated CCAA in order to institute a process to best determine how to engage in a sale or wind down of the Chesswood Group that is most beneficial for all stakeholders, including the Existing Lenders, other creditors and employees.

107. For all these reasons, a creditor-initiated CCAA is the best opportunity to maximize recoveries for creditors and preserve jobs, if possible.

Appointment of FTI as Monitor

108. The Agent proposes that FTI be appointed as Monitor of these CCAA proceedings. FTI has consented to act as Monitor, subject to Court approval, and its written Consent to Act as Monitor is attached hereto as **Exhibit "S"**.

109. FTI has extensive knowledge of the Chesswood Group given its role as financial advisor to Blakes, as counsel to the Agent, with respect to the activities of the Chesswood Group

over the past several months, including in the preparation of this Application, and is well-qualified for the role given its demonstrated knowledge of and experience in formal insolvency proceedings.

110. In particular, FTI is a trustee within the meaning of Section 2 of the *Bankruptcy and Insolvency Act* (Canada) and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

Proposed Enhanced Powers of the Monitor

111. The Agent is seeking enhanced powers of the Monitor in the proposed Initial Order, including the authorization, for, and on behalf of and in the name of the Chesswood Group, if the Monitor considers it necessary or desirable, in consultation with the DIP Agent (as defined below), to:

- (a) conduct and control the financial affairs and operations of the Chesswood Group and carry on business of any of the Chesswood Group entities, including, without limitation:
 - (i) controlling the CCAA Parties' receipts and disbursements;
 - (ii) executing banking and other transactions and executing any documents or taking any other action that is necessary or appropriate for the purpose of the exercise of this power;
 - (iii) executing such documents as may be necessary in connection with any proceedings before this Court or pursuant to any Order of this Court;
 - (iv) taking any action or steps that any of the Chesswood Group entities can take pursuant to the CCAA, this Order or further Order of this Court, including making distributions or payments;

- (v) negotiating and entering into agreements with respect to the business or the property of the Chesswood Group;
- (vi) applying to the Court for any orders which may be necessary or appropriate in order to convey the property of the Chesswood Group to a purchaser or purchasers thereof;
- (vii) exercising any shareholder, partner, member or other rights and privileges available to any of the Chesswood Group entities for and on behalf and in the name of any of them;
- (viii) exercising any powers which may be properly exercised by any board of directors of the Chesswood Group entities;
- (ix) settling, extending or compromising any indebtedness owing to or by the Chesswood Group;
- (x) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending, or hereafter instituted with respect to the Chesswood Group entities, the business, property, or the Monitor and to settle or compromise any such proceeding;
- (xi) exercising any rights of the Chesswood Group entities;
- (xii) applying for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and in the name of the Chesswood Group entities;
- (xiii) taking any and all corporate governance actions for the Chesswood Group entities;
- (xiv) providing instruction and direction to the Assistants (as defined in the draft Initial Order) of the Chesswood Group entities;

- (b) preserve, protect and exercise control over the business or property, or any parts thereof, including, without limitation, to:
 - (i) receive, collect and exercise control over all proceeds of sale of any of the property of the Chesswood Group;
 - (ii) exercise all remedies of the Chesswood Group in collecting monies owed or hereafter owing to the Chesswood Group entities and to enforce any security held by the Chesswood Group;
 - (iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the property for any purpose pursuant to Order;
- (c) conduct investigations from time to time, including, without limitation, examining under oath any Person reasonably thought to have knowledge relating to any of the Chesswood Group entities, the business or the property of the Chesswood Group and compelling any such Person to produce any books, records, accountings, correspondence or documents or papers, electronically stored otherwise, in that Person's possession, custody, control or power relating to the Chesswood Group entities, or the business or the property of the Chesswood Group; and
- (d) take any steps, enter into any agreements, execute any documents, incur any obligations or take any other action necessary, useful or incidental to the exercise of any of the aforesaid powers.

112. The Agent is of the view that the powers listed above are necessary to ensure appropriate oversight is in place to guide the Chesswood Group through its restructuring, as the

board of directors of Chesswood has indicated their intention to resign immediately prior to the CCAA filing.

113. The Agent does not know of any creditors that may be prejudiced if the Court grants the powers listed above.

Stay of Proceedings

114. Due to its financial difficulties, the Chesswood Group requires a stay of proceedings to maintain the status quo and give it and the Chesswood Group breathing room to stabilize operations for the benefit of all stakeholders of the Chesswood Group and pursue a solution to the Chesswood Group's current difficulties through sale transactions or an orderly wind down.

115. The proposed Initial Order contemplates the Initial Stay Period of ten days, which I understand is the maximum that can be authorized by a Court at the initial application under the CCAA.

Administration Charge

116. The Agent seeks a super-priority charge over the Chesswood Group's property in Canada in favour of the Monitor, Foreign Representative (as defined below) and Canadian and US counsel to the Monitor and Foreign Representative (collectively, the "**Professionals**") in the maximum amount of US\$2,000,000 to secure payment of their professional fees and disbursements, whether incurred before, on, or after the date of the Initial Order (the "**Administration Charge**").

117. The Agent is of the view that the Administration Charge is necessary given the expectation that the Professionals will be extensively involved in these CCAA proceedings. The

Agent is also of the view that the quantum of the Administration Charge is fair and reasonable given the expected amount of costs and fees to be incurred before and after the date of the Initial Order.

DIP Facility and DIP Charge

118. Pursuant to a DIP financing principal terms sheet (the “**DIP Financing Term Sheet**”), to be entered into by Chesswood, as borrower, and the same Chesswood Group entities that are Existing Guarantors under the Existing Credit Agreement, as guarantors (the “**DIP Guarantors**”), that is subject to this Court’s prior approval in the Initial Order and ARIO, RBC, as administrative and collateral agent under the proposed DIP Facility (in such capacity, the “**DIP Agent**”) and the lenders thereunder (the “**DIP Lenders**”) have agreed to establish a senior secured super-priority interim financing credit facility (the “**DIP Facility**”) in the maximum amount of US\$65,000,000, with the maximum amount of US\$18,500,000 available prior to the issuance of the Final Recognition Order (as defined in the DIP Financing Term Sheet), with an initial advance to be made on October 31, 2024 in an amount not to exceed US\$4,000,000 (the “**Initial Advance**”), for use during these CCAA proceedings. The terms of the DIP Financing Term Sheet are reasonable and competitive. A copy of the near final DIP Financing Term Sheet is attached hereto as **Exhibit “T”**.

119. Each of the Existing Lenders have agreed to be DIP Lenders under the proposed DIP Facility. The proposed DIP Facility would be secured by a court-ordered charge over all of the Chesswood Group’s property in Canada and the U.S. in the initial maximum amount of US\$18,500,000 (the “**Interim DIP Charge**”), subject only to the Administration Charge in priority. It is anticipated that the DIP Facility will be increased to the maximum amount of

US\$65,000,000 (the “**DIP Charge**”) in advance of the Comeback Hearing and that the Court will be asked to approve both the increased DIP Facility and a corresponding increase to the DIP Charge at that time.

120. FTI has sized the DIP Facility proportionally in order to meet the Chesswood Group’s liquidity needs during the Initial Stay Period.

121. The material terms of the DIP Financing Term Sheet are as follows:

- (a) **Borrower:** Chesswood Group Limited;
- (b) **Guarantors:** each DIP Guarantor will provide a guarantee in respect of all existing and future indebtedness owing in connection with the DIP Facility owed or owing by Chesswood to the DIP Agent and the DIP Lenders;
- (c) **Principal Amount:** the DIP Facility is to be made in an initial amount not to exceed US\$4,000,000 (the “Initial Advance”) for the Initial Stay Period and will increase to an aggregate maximum amount of US\$65,000,000 (the “**Maximum Amount**”), provided that provided that prior to receiving the Final Recognition Order (defined in the DIP Financing Term Sheet) the aggregate amount shall not exceed US\$18,500,000.
- (d) **Court Orders:** All advances under the DIP Facility are subject to the condition precedent that an Initial Order be made and is in full force and effect, in form and content substantially similar to the draft order included in the DIP Agent’s application or otherwise acceptable to the DIP Agent including the appointment of FTI as Monitor and the granting of enhanced powers to the Monitor. Advances in excess of the Initial Advance are subject to the condition precedent that an ARIO has been granted by the Court in a form and substance acceptable to the DIP Agent;
- (e) **Fees:**

- (i) Chesswood will pay an upfront fee to the DIP Agent for the account of each DIP Lender equal to the aggregate amount of US\$420,000, which fee is to be allocated to each DIP Lender based on its the commitment in respect of the DIP Facility, payable after the granting of the ARIO;
 - (ii) Chesswood will pay an administrative agent fee to the DIP Agent in the amount of C\$30,000, payable after the granting of the ARIO; and
 - (iii) Chesswood will pay the fees and expenses of the Agent and the Existing Lenders.
- (f) **Use of Proceeds:** To provide for the short-term liquidity needs of the Chesswood Group pursuant to the Agreed Budget (as defined in the DIP Financing Term Sheet) during the CCAA proceedings, including, without limitation, the payment of interest in accordance with the terms of the Existing Credit Agreement and the payment of the DIP Agent's and the DIP Lenders' fees and expenses. Chesswood may make intercompany loans to the DIP Guarantors and other subsidiaries of Chesswood in accordance with the terms of the DIP Financing Term Sheet.
- (g) **Interest:** The interest rate is as follows: (i) in Canadian dollars based on the Canadian Prime Rate (as defined in the Existing Credit Agreement) plus an applicable margin of 400 bps per annum (based on an existing margin of 1.75% plus a 2% default rate); and (ii) in United States dollars based on the U.S. Prime Rate (as defined in the Existing Credit Agreement) plus an applicable margin of 400 bps per annum (based on an existing margin of 1.75% plus a 2% default rate). Interest is calculated daily and payable monthly.
- (h) **DIP Lenders' Expenses:** Chesswood is to pay all of the DIP Agent and DIP Lenders' reasonable legal fees and out-of-pocket disbursements, and any costs of realization or enforcement, in connection with the DIP Facility, the DIP Charge, the CCAA proceedings or the Chapter 15 proceedings.

- (i) **DIP Charge:** The DIP Facility is to be secured by the Interim DIP Charge for the Initial Stay Period and will be increased to the Maximum Amount thereafter over all of Chesswood's and the DIP Guarantors' present and after acquired property, subject only to the Administration Charge.
- (j) **Mandatory Repayments:** Provided the Monitor is satisfied that there are sufficient cash reserves in Chesswood and the DIP Guarantors' bank accounts to satisfy amounts secured by certain permitted priority liens and amounts anticipated on the date of the mandatory repayment under the Agreed Budget, Chesswood and the DIP Guarantors are required to, from and after the ARIO, use all excess cash on hand daily to repay the following in the following order: (a) first, the obligations of Chesswood and the DIP Guarantors in connection with the Existing Credit Agreement until paid in full and (b) second, the obligations in connection with the DIP Facility.
- (k) **Existing Credit Agreement Maximum:** It is a condition precedent to all advances after the Initial Advance that after giving effect to such advance, the aggregate principal amount outstanding under the Existing Credit Agreement, less any repayment from sources other than advances under the DIP Facility, plus the aggregate principal amount outstanding under the DIP Facility shall not exceed US\$165,293,169.65.
- (l) **Court Approval:** The Initial Advance under the DIP Facility will only be funded on this Court approving the DIP Financing Term Sheet, the DIP Facility, and granting the Initial Order, including the Interim DIP Charge.

122. Based on, among other things, the Agreed Budget, the DIP Agent believes that the DIP Facility is both reasonable and necessary to the Chesswood Group and the DIP Guarantors to continue operations during the Initial Stay Period.

123. I understand that the proposed Monitor is of the view that the Initial Advance is reasonably necessary to maintain operations and the business, in a pared down manner, during the Initial Stay Period.

Dispensing With Reporting and Filing Requirements

124. The proposed Initial Order also seeks relief that dispenses with the requirement for the Chesswood Group to comply, during the length of the stay of proceedings (the “**Stay Period**”), with any requirement relating to any filings (including financial statements), disclosures, core or non-core documents, and press releases in respect of any law respecting securities or capital markets in Canada, or by any rules and regulations of any stock exchange in Canada.

125. The Agent is of the view that complying with the requirements listed above would be time consuming and cause significant costs to be incurred at a time when the Chesswood Group has limited resources to continue operations. I understand that the Monitor will be posting detailed financial information in respect of the Chesswood Group on its publicly accessible website during these CCAA proceedings that will allow stakeholders and other interested parties to access information about the Chesswood Group.

Comeback Hearing

126. If the Initial Order is granted, the Agent intends to return to this Court on November 7, 2024 at 2:00 pm prevailing Eastern Time for a Comeback Hearing.

127. At the Comeback Hearing, the Agent intends to seek this Court’s approval of an Amended and Restated Initial Order (the “**ARIO**”).

128. At this time, the Agent expects that it will seek in the ARIO:

- (a) an extension of the Stay Period to January 31, 2025;
- (b) approval of an increased DIP Facility and DIP Charge as described in paragraph 119 above; and
- (c) a key employee retention plan and an associated charge.

V. CHAPTER 15 PROCEEDINGS

129. Because the Chesswood Group has operations, assets and valuable business and trade relationships in the U.S., contemporaneously with the commencement of the CCAA proceeding, it is intended that the Monitor, as foreign representative for the Chesswood Group (the “**Foreign Representative**”), will seek the issuance of an order under Chapter 15 of the United States *Bankruptcy Code* to recognize and enforce these CCAA proceedings in the U.S. and protect against any potential adverse action taken by the Chesswood Group’s U.S. creditors and stakeholders (the “**Chapter 15 Case**”).

130. The Chesswood Group intends to file the Chapter 15 Case in the United States Bankruptcy Court for Delaware, where several of the US Guarantors are incorporated.

131. The Chesswood Group operates a consolidated business, with offices and primary operations in Canada. The Chesswood Group’s center of main interest is in Canada for the following reasons:

- (a) the operations of the Chesswood Group are wholly managed and directed from, and most of its administrative staff is situated in, the Chesswood Group’s head office in Toronto, Ontario;

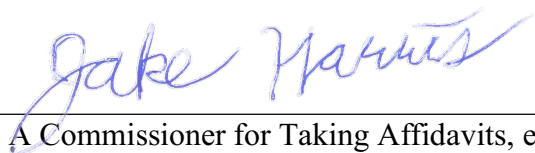
- (b) all U.S. members of the Chesswood Group report to the Canadian head office;
- (c) the Canadian entities provide operational and administrative functions for the Chesswood Group as a whole. These functions are performed by Canadian Chesswood Group employees and include, among other things:
 - (i) operational and administrative functions for the Chesswood Group as a whole;
 - (ii) enterprise-wide IT oversight and services;
 - (iii) enterprise-wide support for finance functions, including working capital management, managing business expenses, insurance (cyber), and taxation;
 - (iv) oversight for the legal and compliance functions across the entire Chesswood Group;
 - (v) oversight of certain HR functions of the Chesswood Group, such as health and safety regulations;
 - (vi) consolidated financial planning and analysis services;
 - (vii) internal audit services (outsourced to a third party);
 - (viii) consolidation and entity reporting; and
 - (ix) intercompany reconciliations.

VI. CONCLUSION

132. For the reasons set out above, I believe that the Chesswood Group should be granted protection under the CCAA and that granting the proposed Initial Order is in the best interest of the Chesswood Group and its stakeholders.

133. I swear this Affidavit in support of the Agent's application for an Initial Order pursuant to the CCAA and for no other purpose.

Sworn by video conference by Wenwei)
(Wendy) Chen of the City of Toronto, in the)
Province of Ontario on October 28, 2024, in)
accordance with O.Reg.431/20, Administering)
Oath or Declaration Remotely)


A Commissioner for Taking Affidavits, etc.

Jake Harris, LSO# 85481T



Wenwei (Wendy) Chen

This is **Exhibit “C”** referred to in the
Affidavit of Wendy (Wenwei) Chen
sworn before me by video conference
this 27th day of October, 2025



A Commissioner, etc.

Jake Harris, LSO #85481T

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

(Court Seal)

ROYAL BANK OF CANADA, in its capacity as Administrative Agent and
Collateral Agent to the Lenders

Plaintiff

- and -

CHESSWOOD GROUP LIMITED, RYAN MARR, TOBIAS RAJCHEL,
CHRISTOPHER WALLBANK and DANIEL WITTLIN

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL

FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date _____ Issued by _____
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 8th Floor
Toronto ON M5G 1R7

TO: **Chesswood Group Limited**
1133 Yonge Street, Suite 603
Toronto, ON
M4T 2Y7

AND TO: **Ryan Marr**
15 Marlee Avenue
Toronto, ON
M6E 3B1

AND TO: **Tobias Rajchel**
78 Rumsey Road
Maple, ON
L6A 4L8

AND TO: **Christopher Wallbank**
58 Leuty Avenue
Toronto, ON
M4E 2R4

AND TO: **Daniel Wittlin**
96 Dunloe Road
Toronto, ON
M5P 2T8

CLAIM

1. The plaintiff claims, on behalf of the Lenders (as defined herein):
 - (a) As against the defendant Chesswood Group Limited ("**Chesswood**"), damages in the amount of at least C\$83,000,000 million, or such further amount to be determined, for breach of the Credit Agreement (as defined herein);
 - (b) As against the defendants Ryan Marr, Tobias Rajchel, Christopher Wallbank and Daniel Wittlin (the "**Individual Defendants**"), damages in the amount of at least C\$83,000,000 million, or such further amount to be determined, for
 - (i) negligent supervision and oversight of the calculation of the Borrowing Base (as defined herein), including failure to institute appropriate control mechanisms and processes, and/or failure to adhere to such mechanisms and processes, sufficient to ensure the accuracy of Borrowing Base calculations and the accuracy of the representations made in the Borrowing Base Certificates (as defined herein); and
 - (ii) negligent misrepresentation in respect of the Borrowing Base and Borrowing Base Certificates, including *inter alia* in regard to the representation of the correct and accurate calculation of the Borrowing Base, the figures represented, and the representations of

certification having been completed by the Chief Financial Officer (“**CFO**”) or other requisite officer of Chesswood;

- (c) A declaration that the Individual Defendants breached section 248(2) of the *Ontario Business Corporations Act*, R.S.O. 1990, c. B. 16 (“**OBCA**”), by exercising their powers as Directors and Officers of Chesswood in a manner that was oppressive or unfairly prejudicial or that unfairly disregarded the interests of the plaintiff;
- (d) If necessary, a declaration that the plaintiff is a proper person to commence an action pursuant to section 248(1) of the *OBCA*;
- (e) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”);
- (f) postjudgment interest in accordance with section 129 of the *CJA*;
- (g) the costs of this proceeding, plus all applicable taxes; and
- (h) such further and other relief as to this Honourable Court may seem just.

FACTUAL BACKGROUND

The Parties

2. The plaintiff, Royal Bank of Canada (“**RBC**”), is a Canadian financial institution and Schedule I bank under the *Bank Act*, S.C. 1991, c. 46. As described further below, the plaintiff was the “**Administrative Agent**” and “**Collateral Agent**” to a syndicated group of financial institutions consisting of RBC, The Toronto-Dominion Bank, The Huntington

National Bank, M&T Bank, Canadian Imperial Bank of Commerce, and Laurentian Bank of Canada (collectively, the “**Lenders**”).

3. During the material time, the Lenders were party to a revolving secured credit facility with Chesswood, as borrower, pursuant to the Credit Agreement (as defined herein).

4. Chesswood is a holding company based in Toronto, Ontario and incorporated pursuant to the *OBCA*. During the material time, Chesswood’s subsidiaries operated in speciality finance across various industries and sectors. The business of these subsidiaries consisted in originating loans and leases, collecting interest and principal thereon, and in certain cases selling or securitizing the loans and leases for payment. During the material time, these subsidiaries included, but were not limited to:

- (a) Pawnee Leasing Corporation (“**Pawnee**”), incorporated pursuant to the laws of Colorado, United States and providing equipment financing across a range of credit profiles, principally in the United States;
- (b) Rifco National Auto Finance Corporation (“**Rifco**”), incorporated pursuant to the laws of Alberta, Canada and providing vehicle financing for new and used automobiles in Canada;
- (c) Vault Credit Corporation (“**Vault Credit**”), incorporated pursuant to the *OBCA* and providing equipment financing principally to small and medium-sized businesses in Canada;

- (d) Vault Home Credit Corporation (“**Vault Home**”), incorporated pursuant to the *OBCA* and providing home improvement and other consumer financing solutions to borrowers in Canada; and
- (e) Waypoint Investment Partners Inc. (“**Waypoint**”), incorporated pursuant to the *OBCA*. Waypoint is an investment firm offering exposure to, among other things, the equipment financing sector and equipment and consumer financing credit.

5. On October 29, 2024, pursuant to an order of the Ontario Superior Court of Justice (Commercial List), Chesswood and certain of its subsidiaries (collectively, the “**Chesswood Group**”) were granted protection from their creditors under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (“**CCAA**”) under Court File No. CV-24-00730212-00CL (such proceedings, the “**CCAA Proceedings**”). Shortly before and during the CCAA Proceedings, these subsidiaries (or their assets) were sold to realize proceeds for the benefit of Chesswood’s creditors, including the Lenders.

6. Ryan Marr is a former Director, Chief Executive Officer (“**CEO**”) and President of Chesswood. Ryan Marr joined Chesswood on or around June 29, 2020, and held the aforementioned positions until his resignation on or around July 8, 2024.

7. Tobias Rajchel is a former CFO, and former CEO and President, of Chesswood. Tobias Rajchel joined Chesswood on or around November 2020 as Vice President, Finance and became CFO on or around March 2021. Tobias Rajchel acted as CFO of Chesswood from March 2021 until his appointment as CEO and President of Chesswood

on or around July 2024. Tobias Rajchel resigned as CEO and President on or around September 2025.

8. Christopher Wallbank is the former Executive Vice President of Funding and Risk Management for Chesswood. Christopher Wallbank joined Chesswood on or around September 2021, and held this position until his termination on or around June 2024.

9. Daniel Wittlin is a former Director of Chesswood. Daniel Wittlin became a Director of Chesswood on June 15, 2021, and resigned his position on or around July 30, 2024, shortly before Ryan Marr's resignation. Daniel Wittlin was, and remains, a Director of Vault Credit and Vault Home, which were subsidiaries of Chesswood during the material time (as stated above) and were purchased by entities controlled by Daniel Wittlin on August 9, 2024.

The Credit Agreement – Overview

10. On January 14, 2022, the plaintiff, as Administrative Agent and Collateral Agent, and the Lenders, as lenders, entered into a second amended and restated credit agreement with Chesswood, as borrower, as later amended or amended and restated from time to time (the “**Credit Agreement**”).

11. The Credit Agreement established a revolving secured credit facility with an initial maximum principal amount of U.S.\$300,000,000. This amount could be, and was, adjusted in subsequent amendments to the Credit Agreement.

12. To secure its obligations under the Credit Agreement, Chesswood granted the plaintiff a security interest over all of its present and after acquired undertakings and

property (the “**Collateral**”), pursuant to a security agreement dated as of December 8, 2014.

13. In addition, substantially all of Chesswood’s subsidiaries provided guarantees of Chesswood’s obligations under the Credit Agreement. The obligations under those guarantees were also secured by security agreements executed and delivered by each of the subsidiaries who provided guarantees over all of such subsidiaries’ present and after acquired undertakings and property (the “**Subsidiary Collateral**”).

14. Chesswood used the credit facility provided under the Credit Agreement to fund the operations of its subsidiaries.

15. The Credit Agreement designated the plaintiff as Administrative Agent and Collateral Agent to the Lenders.

16. In its role as Administrative Agent, the plaintiff was responsible for administration of the credit facility, including: (a) receiving requests from Chesswood for borrowings under the Credit Agreement and advancing said borrowings to Chesswood on behalf of the Lenders; (b) receiving Borrowing Base Certificates and Compliance Certificates (as defined herein) from Chesswood; and (c) in the event of a default, declaring Chesswood in default on behalf of the Lenders and commencing proceedings in respect of that default pursuant to instructions from the Lenders in accordance with the Credit Agreement.

17. In its role as Collateral Agent, the plaintiff held the Collateral and the Subsidiary Collateral on behalf of, amongst others, the plaintiff, as Administrative Agent and Collateral Agent, and the Lenders (the “**Secured Creditors**”). From time to time, the

plaintiff would release the Secured Creditors' security interest in the Collateral and/or the Subsidiary Collateral in connection with or following certain transactions, in accordance with the Credit Agreement.

The Credit Agreement

The Borrowing Base and the Lending Limit

18. Under the Credit Agreement, Chesswood did not have *carte blanche* to borrow the maximum principal amount stipulated in the Credit Agreement. On the contrary, pursuant to section 2.2(1) of the Credit Agreement, Chesswood's available borrowings could not exceed the "**Lending Limit**", as defined in the Credit Agreement.

19. The Lending Limit was determined by reference to, among other things, a further defined concept called the "**Borrowing Base**." The Borrowing Base represented the value of a predefined set of assets held by certain subsidiaries in the Chesswood Group at a given time. Only assets meeting predefined eligibility criteria qualified for inclusion in the Borrowing Base. For example, loans and leases subject to dispute, counterclaim or set off, or loans and leases which were 61 days or more past due, were ineligible. The eligibility criteria served to ensure that only assets with sufficient creditworthiness formed part of the Borrowing Base.

20. In addition, once sold or securitized by the Chesswood Group, assets no longer formed part of the Borrowing Base. The Borrowing Base consisted only of assets held by, and proprietary to, the Chesswood Group.

21. Further, only a specified percentage of these eligible assets were to be included in the Borrowing Base, which number generally ranged from 65%-85%, depending on the class of asset. This margin discount served to ensure that Chesswood would never have borrowings in excess of approximately 65%-85% of its creditworthy assets. Accordingly, the margin discount provided comfort to the Lenders that they would have sufficient security against the Chesswood Group's assets in the event that Chesswood ever defaulted under the Credit Agreement. Simply put, the Borrowing Base determined the aggregate amount of borrowings that Chesswood could borrow under the Credit Agreement as at the time the Borrowing Base was calculated.

22. As the amount of available borrowings was based on the Borrowing Base, the calculation of the Borrowing Base was integral to the agreement by the Lenders to extend loans to Chesswood, and by extension to the Chesswood Group. Pursuant to section 2.6(6) of the Credit Agreement, in the event that Chesswood's outstanding borrowings exceeded the Lending Limit, Chesswood would be required to pay down such excess to stay below the Lending Limit (the "**Borrowing Base Covenant**"), failing which Chesswood would be in default under section 10.1 of the Credit Agreement (a breach of the Borrowing Base Covenant, along with any other specified default in the Credit Agreement, is hereinafter called an "**Event of Default**").

The Borrowing Base Certificates and the Compliance Certificates

23. The volume and movement of the Chesswood Group's assets meant that independently inspecting or confirming the value and/or quantity of those assets on an ongoing basis was both impractical and cost prohibitive. At all material times, the

Chesswood Group's asset base was constituted by innumerable loans, leases and debt obligations originated and held by the various subsidiaries comprising the Chesswood Group. In addition to the ordinary-course maturation and turnover in the loans, leases and debt obligations, Chesswood's subsidiaries routinely securitized or sold various of its assets to special purpose vehicles, or to securitization funders, some of which assets Chesswood continued to service for such special vehicle entities or securitization funders after they were securitized or sold.

24. As such, the plaintiff did not, nor reasonably could have, independently calculated or confirmed the Borrowing Base at any given time.

25. Instead, the Credit Agreement expressly placed the obligation for calculation and reporting of the Borrowing Base on Chesswood, by way of two forms of reporting certificate prescribed by the Credit Agreement.

26. First, the Credit Agreement required Chesswood, on a monthly basis, to prepare and deliver to the plaintiff a certificate setting out the Borrowing Base in respect of the previous month (the "**Borrowing Base Certificate**"). Borrowing Base Certificates were required to be provided in the form provided in the Credit Agreement, and were required to contain representations confirming, among other things, (i) the Borrowing Base and the value of the classes of eligible assets that constituted the Borrowing Base, (ii) the amount of outstanding borrowings to date, and (iii) the Lending Limit (which, as noted, was derived from the Borrowing Base).

27. The Credit Agreement expressly required that each Borrowing Base Certificate be specifically signed off on by Chesswood's CFO, or another officer "acceptable to the Administrative Agent."

28. Second, in addition to the Borrowing Base Certificate, the Credit Agreement also required Chesswood to provide a certificate on a quarterly basis certifying compliance with the Credit Agreement and affirming that Chesswood was not at that time in default of its obligations under the Credit Agreement (the "**Compliance Certificate**"). The Compliance Certificate also certified various financial amounts required to be provided under the Credit Agreement.

29. The Credit Agreement expressly required that each Compliance Certificate be specifically signed off on by Chesswood's CFO, or another officer "acceptable to the Administrative Agent."

Borrowing Base Reporting and the Discovery of the Borrowing Base Errors

30. During the material time, Chesswood delivered monthly Borrowing Base Certificates, and quarterly Compliance Certificates, as required by the Credit Agreement. In each case, the certificates were shown as executed by either Tobias Rajchel as Chesswood's CFO, or Ryan Marr as Chesswood's CEO. Prior to the events of May 2024, discussed below, the Borrowing Base Certificates at all times showed Chesswood as being within the Lending Limit, based on the Borrowing Base figures presented therein.

31. At all times, the plaintiff and the Lenders relied upon the accuracy of the representations contained in the Borrowing Base Certificates and Compliance Certificates in advancing funds pursuant to the Credit Agreement.

32. Section 8.1(m) of the Credit Agreement granted the Lenders certain rights to inspect Chesswood's financial records. Pursuant to such rights, the plaintiff retained a financial consulting and advisory firm to conduct annual reviews of, among other things, the Borrowing Base.

33. In the course of an annual inspection occurring in May 2024, it was discovered that Chesswood's Borrowing Base Certificate, dated April 15, 2024, appeared to have overstated the Borrowing Base by approximately U.S.\$62,000,000, and that Chesswood had exceeded the Lending Limit by approximately U.S.\$61,000,000. As noted below, the amount of the Borrowing Base overstatement was subsequently estimated to be approximately U.S.\$92,000,000. The amount by which Chesswood's outstanding borrowings exceeded the Lending Limit is hereinafter called the "**Borrowing Base Deficiency**".

34. During or shortly after the review of Chesswood's Borrowing Base in May 2024, Ryan Marr contacted a representative of the plaintiff, and for the first time disclosed the Borrowing Base Deficiency to the plaintiff.

35. On June 14, 2024, the Lenders entered into a Waiver Agreement with the Chesswood Group (as subsequently amended, or amended and restated from time to time, the "**Waiver**"). At the time the Waiver was executed, the Borrowing Base Deficiency was estimated to be approximately U.S.\$92,000,000.

36. Pursuant to the Waiver, the Lenders agreed to waive the Events of Default for a limited period of time ("**Waiver Period**"), to permit Chesswood to liquidate certain of its assets to pay down the indebtedness under the Credit Agreement. The Waiver also reduced the amount of aggregate credit available under the Credit Agreement and required Chesswood to deliver Borrowing Base Certificates on a weekly basis (as opposed to the monthly basis previously required under the Credit Agreement). On June 14, 2024, Chesswood issued a news release stating that it was not in compliance with the Borrowing Base Covenant and had entered into the Waiver with the Lenders.

37. On July 22, 2024, Chesswood issued a further news release announcing that it would have to prepare and file restated financial statements and Management's Discussion and Analysis for the three months ended March 31, 2024, due to the Borrowing Base Deficiency.

38. On August 15, 2024, the Ontario Securities Commission issued a Failure to File Cease Trade Order as a result of Chesswood's failure to file interim financial statements and other documentation required under provincial securities laws.

39. During the Waiver Period, Chesswood sold the Vault Home and Vault Credit businesses for C\$60,000,000 to entities controlled by the defendant Daniel Wittlin, who had resigned as Director of Chesswood prior to the close of the transaction.

40. However, Chesswood's liquidation efforts were unsuccessful in selling any other of the Chesswood Group's businesses and significant indebtedness remained outstanding to the Lenders under the Credit Agreement. On October 16, 2024, the Waiver expired, reinstating the Events of Default which had been temporarily waived.

41. As at October 24, 2024, Chesswood owed the Lenders U.S.\$66,254,723.30 and C\$92,797,926.72, plus costs and expenses incurred by the plaintiff and the Lenders, and interest and other amounts associated with letters of credit issued under the Credit Agreement.

42. On October 29, 2024, the plaintiff, for and on behalf of the Lenders, obtained an order from the Ontario Superior Court of Justice (Commercial List) granting the Chesswood Group protection under the CCAA and appointing FTI Consulting Canada Inc. as the Monitor (the “**Initial Order**”).

43. At the time of the Initial Order, Chesswood had committed numerous Events of Default in breach of its obligations under the Credit Agreement. The Events of Default (which included the breach of the Borrowing Base Covenant) mainly related to the misrepresentation of the Borrowing Base and the corresponding excess borrowings by Chesswood beyond the Lending Limit.

44. The Chesswood Group remains under CCAA protection. Notwithstanding the realization efforts undertaken during the CCAA Proceedings, at least C\$83,000,000 remains owing to the Lenders.

Errors in the Borrowing Base Calculations

45. To the best understanding of the Lenders, it appears that several errors in the calculation of the Borrowing Base contributed to the Borrowing Base Deficiency (the “**Calculation Errors**”). The Lenders’ understanding is set out below. Full particulars of the procedural and substantive errors in the calculation of the Borrowing Base will be

within the knowledge of the Individual Defendants, each of whose involvement and responsibility is also set out below.

46. The Calculation Errors began in at least December 2022 and continued until the plaintiff's discovery of the Borrowing Base Deficiency in May 2024.

47. The plaintiff understands that there were numerous Calculation Errors that occurred between December 2022 and May 2024 which had the effect of misrepresenting and overstating Chesswood's Borrowing Base. Generally, the Calculation Errors were of two kinds: (i) including in the Borrowing Base assets that did not satisfy eligibility criteria as set out in the Credit Agreement; or (ii) including in the Borrowing Base assets which were not proprietary to the relevant Chesswood subsidiary, because they had been sold or securitized by that subsidiary. In all cases, the errors led to material misrepresentations in the Borrowing Base Certificates and Compliance Certificates

48. During the material time, Chesswood's Borrowing Base was primarily constituted by specified assets of the Chesswood subsidiaries Pawnee, Rifco, Vault Credit and Vault Home. These assets were principally accounts and debt obligations owing pursuant to a financing instrument, such as a loan or lease.

49. The Calculation Errors can be categorized according to the subsidiary to which they relate. At present, the plaintiff understands that *at least* the following Calculation Errors occurred between December 2022 and May 2024.

(i) Errors Respecting Pawnee's Assets

50. During the material time, the asset information submitted by Pawnee to Chesswood for calculation of the Borrowing Base included assets which had been securitized and belonged to various securitization facilities associated with Pawnee. These assets were identifiable as securitized, and therefore not proprietary to Pawnee.

51. Various securitized assets were included in Chesswood's Borrowing Base calculations in respect of Pawnee, notwithstanding that these assets were identified by Pawnee as securitized (and therefore not proprietary to Pawnee) and had not been included in the Borrowing Base calculations prior to 2023.

52. This error by itself grossly misrepresented the value of Chesswood's Borrowing Base. The inclusion of the securitized Pawnee assets artificially increased Chesswood's Borrowing Base, (i) for the Borrowing Base as at December 31, 2023, by U.S.\$27,272,710, and (ii) for the Borrowing Base as at March 31, 2024, by U.S.\$57,980,524.

(ii) Errors Respecting Rifco's Assets

53. During the material time, various loans originated by Rifco, called "**Repair Loans**", were included in the calculation of the Borrowing Base. Repair Loans were ineligible pursuant to the asset eligibility criteria set out in the Credit Agreement. Repair Loans were identifiable as such in the asset information logs provided by Rifco to Chesswood and were not included in Chesswood's Borrowing Base calculations until on or around March 2023.

54. Nevertheless, Chesswood's Borrowing Base calculations from on or around March 2023 until the discovery of the Borrowing Base Deficiency in or around May 2024 included Repair Loans. The inclusion of Repair Loans resulted in an artificial increase of Chesswood's Borrowing Base, (i) for the Borrowing Base as at December 31, 2023, by U.S.\$6,730,919, and (ii) for the Borrowing Base as at March 31, 2024, by U.S.\$5,822,871.

(iii) Errors Respecting Vault Credit and Vault Home's Assets

55. Vault Credit and Vault Home's asset information tapes submitted to Chesswood contained loans which were labelled "House", indicating that they were held by Vault Credit and Vault Home and had not been sold or securitized to an affiliate or third party.

56. During the material time, certain of Chesswood's Borrowing Base calculations included assets which were not labelled "House", and which therefore were not proprietary to Vault Credit or Vault Home. The inclusion of these assets resulted in an artificial increase of Chesswood's Borrowing Base, (i) for the Borrowing Base as at December 31, 2023, by U.S.\$18,327,908 in respect of Vault Home, and (ii) for the Borrowing Base as at March 31, 2024, by U.S.\$959,400 in respect of Vault Credit.

Preparation of the Borrowing Base Certificates and Compliance Certificates

57. At all material times, the Borrowing Base Certificate was prepared at the parent level, by Chesswood employees who worked as portfolio analysts, based on asset data submitted by the relevant subsidiaries.

58. These subsidiaries submitted asset data in the form of large electronic files called “**Data Tapes**”, which set out the loan and lease portfolios of the subsidiary and associated information, such as accounts receivables aging and cash flow details.

59. As alluded to above, the Data Tapes included assets that did not qualify for inclusion in the Borrowing Base, either because they were ineligible, or because they had been sold or securitized by the applicable subsidiary and therefore did not form part of that subsidiary’s asset pool.

60. Upon receipt of the Data Tapes, the Chesswood portfolio analyst would manually copy asset data into a calculation workbook coded with formulas. This calculation workbook yielded Borrowing Base calculations in respect of each applicable subsidiary. The portfolio analyst then combined the Borrowing Base calculations for each subsidiary into a consolidated Microsoft Excel sheet (the “**Consolidation Worksheet**”), setting out the total Borrowing Base in respect of all subsidiaries for reporting to the plaintiff.

61. The defendant Christopher Wallbank exercised immediate supervision over the portfolio analysts’ preparation of the Borrowing Base calculations.

62. The defendants Ryan Marr and Tobias Rajchel exercised supervision over Christopher Wallbank, and were ultimately responsible for both supervision of the Borrowing Base preparation and for ensuring the accuracy of Chesswood’s certified representations regarding the Borrowing Base and Lending Limit.

63. Upon completion of the Consolidation Worksheet and preparation of the Borrowing Base Certificate, the Chesswood portfolio analyst emailed the draft Borrowing Base

Certificate to Ryan Marr and Tobias Rajchel for approval, copying Christopher Wallbank and certain other Chesswood financial personnel on the email. This process was consistent with Chesswood's Internal Control Program (the "**Control Program**"), dated September 2023, which set out the following protocol for the preparation and review of the Borrowing Base:

- (a) After computing the Borrowing Base, the portfolio analyst would send the Borrowing Base calculations to the President and CEO (Ryan Marr) and CFO (Tobias Rajchel) for review;
- (b) The Borrowing Base calculations would also be sent to the "EVP Credit" (identified in the Control Program as Christopher Wallbank), and the CFOs of Chesswood's subsidiaries for their reference; and
- (c) The President and CEO (Ryan Marr), or the CFO (Tobias Rajchel) as "back up", would issue approval of the Borrowing Base, prior to submission to the plaintiff on behalf of the Lenders.

64. At all material times, Ryan Marr or Tobias Rajchel provided written approval of the Borrowing Base calculations via email.

65. Notwithstanding their conduct in providing written approvals, their obligations pursuant to the Control Program, and their express commitments to the Lenders, neither Ryan Marr nor Tobias Rajchel actually reviewed the portfolio analyst's Borrowing Base calculations. In the alternative, Ryan Marr and Tobias Rajchel failed to adequately or appropriately review the calculations.

66. For his part, Christopher Wallbank failed to adequately or appropriately review the Borrowing Base calculations, despite acting as immediate responsible supervisor to the Chesswood portfolio analyst and being internally regarded as having responsibility for Borrowing Base oversight.

67. The breaches of Ryan Marr, Tobias Rajchel and Christopher Wallbank extended beyond the calculation of the Borrowing Base, and included further contraventions relating to the Borrowing Base Certificates and Compliance Certificates themselves. As expressly mandated by the Credit Agreement, at all material times, the Borrowing Base Certificates contained the signature of Tobias Rajchel. The Lenders reasonably and naturally understood Tobias Rajchel's signature to be authentic, and to reflect his review and certification of the Borrowing Base Certificates. However, on some or all occasions Tobias Rajchel did not actually sign the Borrowing Base Certificates. Instead, his electronic signature was applied to the Borrowing Base Certificate during the preparation and review process of the Borrowing Base. Tobias Rajchel was aware at all times that his signature was being applied by others onto the Borrowing Base Certificate, even though he had not reviewed (or, in the alternative, had not adequately reviewed) the Borrowing Base Certificates.

68. The plaintiff pleads that the placement of Ryan Marr or Tobias Rajchel's signature on the Compliance Certificates was also undertaken on at least some occasions in an improper manner that did not constitute the actual execution or certification of the Compliance Certificate by the purported signing Officer. Full particulars of the Individual Defendants' misconduct relating to the Borrowing Base and Compliance Certificates are

within the knowledge of Ryan Marr, Tobias Rajchel, Christopher Wallbank and Daniel Wittlin.

Changes in Borrowing Base Review Protocol

69. Following the discovery of the Borrowing Base Deficiency in May 2024, Chesswood introduced a new policy for the calculation and review of the Borrowing Base (the “**New Policy**”).

70. The New Policy contained several quality control mechanisms to ensure the correctness and accuracy of the Borrowing Base calculations, including:

- (a) The CFO of Chesswood would prepare the Borrowing Base.
- (b) Concurrently and independently, the CFO of the applicable subsidiary would prepare the Borrowing Base in respect of that subsidiary and submit it to the Chesswood CFO for review. The CFO of the applicable subsidiary would sign a checklist confirming the correctness of asset data used in preparing the subsidiary’s Borrowing Base, including the total number of loans and leases, their classification (e.g. eligible versus non-eligible), and stating that any assets sold or securitized were clearly identified as such.
- (c) After the Chesswood Borrowing Base and subsidiary Borrowing Base were independently prepared by the Chesswood CFO and the applicable subsidiary’s CFO, respectively, both CFOs would sign a checklist confirming their independent Borrowing Base calculations, and that assets sold or securitized were clearly identified as such.

71. These quality control mechanisms were only enacted after the discovery of the Borrowing Base Deficiency and the resulting breach of the Borrowing Base Covenant. The Individual Defendants failed to enact quality control mechanisms to ensure the accuracy of Borrowing Base calculations between December 2022, approximately when the Calculation Errors began, and May 2024, when certain of the Calculation Errors were discovered.

72. The Individual Defendants' responsibilities included ensuring that Chesswood maintained appropriately rigorous controls and procedures. The requirements of the New Policy should have been in place throughout the material time and not only implemented after the Borrowing Base Deficiency had been discovered. In addition to their failures to adhere to even the relatively lax requirements of the Control Policy, as detailed above, the Individual Defendants are responsible for their failure to implement the appropriate New Policy in a timely fashion.

CHESSWOOD'S LIABILITY

Breach of Contract

73. Chesswood is liable to the plaintiff for breach of the Credit Agreement. Chesswood committed Events of Default under the Credit Agreement, as detailed at paragraph 43, which includes breach of the Borrowing Base Covenant. These Events of Default caused the Lenders' losses. In particular, the misstatement of the Borrowing Base and breach of the Borrowing Base Covenant caused the Lenders to advance funds which would not have otherwise been advanced, had Chesswood's Borrowing Base been accurately

represented to the Lenders in the Borrowing Base Certificates and Compliance Certificates.

74. Chesswood is liable for the total amount of indebtedness owing under the Credit Agreement.

THE INDIVIDUAL DEFENDANTS' LIABILITY

Negligent Supervision and Oversight of Borrowing Base

75. The Individual Defendants (Ryan Marr, Tobias Rajchel, Christopher Wallbank and Daniel Wittlin) are liable to the plaintiff for negligent supervision and oversight of the calculation of the Borrowing Base.

76. The Individual Defendants at all times owed the plaintiff a duty of care with respect to the accuracy of Borrowing Base representations. This duty extended to adequately supervising the calculation of the Borrowing Base and the preparation of Borrowing Base Certificates.

77. The Individual Defendants, as members of Chesswood's senior management, and in Daniel Wittlin's case due to his close relationship with Ryan Marr (discussed below), knew or ought to have known that failure to supervise the preparation of the Borrowing Base and adopt quality control mechanisms to verify the accuracy of Borrowing Base calculations could cause losses to the Lenders. The Individual Defendants stood in a proximate relationship with the plaintiff by virtue of, (i) holding positions in Chesswood vested with oversight responsibilities regarding the Borrowing Base calculations, (ii) corresponding with the plaintiff in respect of the Borrowing Base and other matters

pertaining to the Credit Agreement, and (iii) in the case of Ryan Marr and Tobias Rajchel, being specially authorized to sign the Borrowing Base Certificate pursuant to the Credit Agreement, as set out in paragraph 27, above.

78. The defendant Ryan Marr breached the standard of care by:

- (a) failing to review the Borrowing Base calculations and Borrowing Base Certificates; or, in the alternative, negligently reviewing the Borrowing Base calculations and Borrowing Base Certificates and failing to detect the Calculation Errors represented therein;
- (b) approving Borrowing Base Certificates that grossly overstated the Borrowing Base;
- (c) inserting or, in the alternative, allowing Tobias Rajchel's signature to be inserted on the Borrowing Base Certificate, notwithstanding Tobias Rajchel's failure to review or adequately review the Borrowing Base Certificate;
- (d) signing Compliance Certificates certifying compliance with the Credit Agreement, when Ryan Marr knew, or ought to have known, that he and the other defendants had not adequately confirmed the calculation of the Borrowing Base so as to ensure compliance with the Borrowing Base Covenant; and
- (e) failing to institute quality control protocols to ensure the integrity of Borrowing Base preparation and the accuracy of Borrowing Base

calculations, such as those ultimately adopted by Chesswood, as detailed in paragraph 70, above.

79. The defendant Tobias Rajchel breached the standard of care by:

- (a) failing to review the Borrowing Base calculations and Borrowing Base Certificates, despite being CFO and vested with responsibility to review the Borrowing Base pursuant to the Control Program; or, in the alternative, negligently reviewing the Borrowing Base calculations and Borrowing Base Certificates and failing to detect the Calculation Errors represented therein;
- (b) approving Borrowing Base Certificates that grossly overstated the Borrowing Base;
- (c) allowing his signature to be inserted on the Borrowing Base Certificates, notwithstanding his failure to review or adequately review the Borrowing Base Certificate; and
- (d) failing to institute quality control protocols to ensure the integrity of Borrowing Base preparation and the accuracy of Borrowing Base calculations, such as those ultimately adopted by Chesswood, as detailed in paragraph 70, above.

80. The defendant Christopher Wallbank breached the standard of care by:

- (a) as the immediate supervisor of the portfolio analyst and therefore responsible for Borrowing Base oversight, failing to supervise the portfolio

analyst and detect the Calculation Errors committed in the preparation of the Borrowing Base; and

- (b) failing to institute quality control protocols to ensure the integrity of Borrowing Base preparation and the accuracy of Borrowing Base calculations, such as those ultimately adopted by Chesswood, as detailed in paragraph 70, above.

81. In the case of Daniel Wittlin, while the plaintiff does not allege that the directors of Chesswood ought to have been aware of the misconduct detailed herein solely by virtue of their roles as directors, Daniel Wittlin was uniquely situated among the directors. Among the directors, Daniel Wittlin was the largest shareholder in Chesswood. Daniel Wittlin was also a Director and/or Officer of Vault Credit and Vault Home, two subsidiaries of Chesswood whose assets were included in the Borrowing Base. Finally, Daniel Wittlin was a close personal friend of Ryan Marr, joining Chesswood within approximately one year of Ryan Marr's appointment as CEO and exercising influence over the operations and business direction of the Chesswood Group during the material time.

82. By virtue of his heightened involvement in Chesswood (relative to other Chesswood directors), Daniel Wittlin owed the plaintiff the duty of care detailed in paragraphs 76-77, above, which duty was breached by:

- (a) failing to institute quality control protocols to ensure the integrity of Borrowing Base preparation and the accuracy of Borrowing Base calculations, such as those ultimately adopted by Chesswood, as detailed in paragraph 70, above, despite his close familiarity with these matters

arising from his relationship with Ryan Marr and other Chesswood directors and officers; and

- (b) acquiescing, and/or participating by commission or omission, in the misrepresentations made to the Lenders detailed above.

83. The above breaches of the standard of care were the proximate and in fact causes of the Lenders' loss. Had the Individual Defendants adequately reviewed the Borrowing Base calculations or instituted quality control mechanisms to ensure the correctness of those calculations, the Calculation Errors would not have arisen or, in the alternative, the Calculation Errors would have been detected prior to May 2024, when the plaintiff discovered the Borrowing Base Deficiency. In either event, had Chesswood's Borrowing Base been accurately represented, the Lenders would not have loaned funds in excess of the Borrowing Base (as occurred during the material time) and would accordingly not have suffered the losses which ultimately resulted.

Negligent Misrepresentation

84. The Individual Defendants are liable to the plaintiff for negligent misrepresentation in respect of the Borrowing Base.

85. The Individual Defendants owed the plaintiff a duty of care with respect to Borrowing Base representations, for the reasons set out at paragraphs 76-77, above.

86. The Individual Defendants negligently made or contributed to the making of erroneous representations in respect of Chesswood's Borrowing Base, which representations were contained on the Borrowing Base Certificates.

87. In addition, by inserting or allowing to be inserted on the Borrowing Base Certificates the signature of Tobias Rajchel, the defendants Ryan Marr and Tobias Rajchel misrepresented that Tobias Rajchel had reviewed and certified the Borrowing Base Certificate.

88. The plaintiff relied on the truthfulness and accuracy of the Borrowing Base Certificate in deciding to advance funds under the Credit Agreement. The plaintiff also relied on the representation that Tobias Rajchel, as CFO, had reviewed and certified the Borrowing Base Certificate and thereby confirmed the accuracy of its contents.

89. The plaintiff detrimentally relied on these misrepresentations and suffered losses as a result. For the reasons set out at paragraph 83, the misrepresentation of Chesswood's Borrowing Base was the direct and proximate cause of the Lenders' losses.

Oppression

90. As a creditor of Chesswood, the plaintiff is entitled to a declaration that it is a "complainant" within the meaning of sections 245 and 248(1) of the *OBCA*.

91. The plaintiff had a reasonable expectation that the Individual Defendants, as directors and officers of Chesswood, would not act in a manner that was oppressive, unfairly prejudicial or that unfairly disregarded the interests of the plaintiff and the Lenders. In particular, the plaintiff had a reasonable expectation that Chesswood's Borrowing Base Certificates would truthfully represent Chesswood's Borrowing Base, and that the Individual Defendants would oversee the preparation of the Borrowing Base Certificate so as to ensure the accuracy of its contents.

92. This reasonable expectation was grounded in and supported by the provisions of the Credit Agreement, which required Chesswood during the material time to deliver Borrowing Base Certificates every month, and which tethered the availability of borrowings – and therefore the amount of the Lenders' exposure – to the Borrowing Base. In light of the structure of the Credit Agreement, under which the Lenders advanced funds directly and fully on the reliance of Borrowing Base Certificates, the plaintiff believed that the Borrowing Base Certificates would be meticulously and carefully prepared and would correctly and accurately represent the eligible asset base of the Chesswood Group.

93. This reasonable expectation was also grounded in the plaintiff's difficulty to verify the Borrowing Base Certificates on a routine basis, as pleaded at paragraphs 23-24, above. The plaintiff was entirely reliant on Chesswood and the Individual Defendants to correctly and accurately represent the Borrowing Base, as the plaintiff could not reasonably audit or otherwise confirm the veracity of the monthly Borrowing Base Certificates on a regular ongoing basis.

94. The Individual Defendants breached the plaintiff's reasonable expectation for correct and accurate Borrowing Base reporting by (a) negligently making or contributing to the making of erroneous representations respecting Chesswood's Borrowing Base; (b) failing to establish quality control protocols to ensure the integrity of Borrowing Base preparation and the accuracy of Borrowing Base Certificates, and (c) in the case of Ryan Marr, Tobias Rajchel and Christopher Wallbank, failing to adequately oversee and review the Borrowing Base calculations and Borrowing Base Certificates.

95. The Individual Defendants were directly implicated in this oppressive conduct; their actions were, at all material times, a proximate and direct cause of the Borrowing Base Deficiency and the Lenders' resulting losses.

96. Some or all of the Individual Defendants personally benefited from the aforementioned oppressive conduct. Some or all of the Individual Defendants were invested in Chesswood and/or held investments in Chesswood's subsidiary, Waypoint, and benefited from the injection of credit into Chesswood that would not have occurred but for the Borrowing Base misrepresentations.

Damages

97. Currently, Chesswood's indebtedness to the Lenders is in excess of C\$83,000,000. Although the CCAA Proceedings are still ongoing, substantially all of the Chesswood Group's assets have been realized upon, subject only to potential tax refunds and miscellaneous proceeds, the amounts of which are not anticipated in the best case to exceed U.S.\$1,500,000. Under no scenario would proceeds of the remaining assets be sufficient to repay the Lenders the outstanding indebtedness under the Credit Agreement. For the reasons set out herein, Chesswood is liable to the plaintiff for the total deficiency owing under the Credit Agreement, once finally determined.

98. For the reasons set out herein, the Individual Defendants are also liable to the plaintiff for the full amount of Chesswood's indebtedness to the Lenders, once finally determined.

99. The plaintiff proposes that this action be tried in Toronto.

(Date of issue)

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Lawyers for the Plaintiff

ROYAL BANK OF CANADA, in its capacity as Administrative Agent and Collateral Agent to the Lenders
Plaintiff

-and- CHESSWOOD GROUP LIMITED et al.
Defendants

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

STATEMENT OF CLAIM

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CHESSWOOD GROUP LIMITED, et al.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

AFFIDAVIT OF WENWEI (WENDY) CHEN
Sworn October 27, 2025

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Lawyers for the Agent

TAB 3

Court File No. CV-24-00730212-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	TUESDAY, THE 4 th
	)	
JUSTICE CAVANAGH	)	DAY OF NOVEMBER 2025

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
 OF **CHESSWOOD GROUP LIMITED, CASE FUNDING INC., CHESSWOOD
 HOLDINGS LTD., CHESSWOOD US ACQUISITIONCO LTD., LEASE-WIN
 LIMITED, WINDSET CAPITAL CORPORATION, CHESSWOOD CAPITAL
 MANAGEMENT INC., CHESSWOOD CAPITAL MANAGEMENT USA INC.,
 942328 ALBERTA INC., 908696 ALBERTA INC., 1000390232 ONTARIO INC.**
 and **CGL HOLDCO, LLC**

ORDER
(LIFTING OF STAY OF PROCEEDINGS)

THIS MOTION, made by Royal Bank of Canada, in capacity as administrative and collateral agent (the “**Agent**”) to the lenders under a second amended and restated credit agreement dated as of January 14, 2022, as amended (the “**Pre-Filing Lenders**”) for an order, *inter alia*, lifting the stay of proceedings (the “**Stay**”) established pursuant to the amended and restated initial order dated November 7, 2024 in the within proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) was heard this day via Zoom videoconference in Toronto, Ontario.

ON READING the affidavit of Wenwei (Wendy) Chen sworn October 27, 2025 and the Exhibits thereto, the Motion Record of the Agent returnable November 4, 2025 and on hearing the submissions of counsel for the Agent, counsel to FTI Consulting Canada Inc., in its capacity as monitor (the “**Monitor**”) of Chesswood Group Limited, Case Funding Inc., Chesswood Holdings Ltd., Chesswood US Acquisitionco Ltd., Lease-Win Limited, Windset Capital Corporation, Chesswood Capital Management Inc., Chesswood Capital Management USA Inc., 942328 Alberta Inc. (formerly Rifco National Auto Finance Corporation), 908696 Alberta Inc.

(formerly Rifco Inc.), 1000390232 Ontario Inc. and CGL Holdco, LLC (collectively, the “CCAA Parties” and each a “CCAA Party”), and such other counsel present;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

LIFTING OF STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that the Stay be and is hereby lifted solely for the purpose of permitting the Agent, for and on behalf of the Pre-Filing Lenders, to commence a proceeding at the Ontario Superior Court of Justice against Chesswood Group Limited and certain former directors and officers or senior management figures of the CCAA Parties, substantially in the form of the proposed Statement of Claim attached hereto as **Schedule “A”** (the “**Claim**”).

3. **THIS COURT ORDERS AND DIRECTS** the Registrar of the Ontario Superior Court of Justice to issue the Claim, subject to payment of the appropriate filing fee.

GENERAL

4. **THIS COURT ORDERS** that there shall be no costs of this motion.

5. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order without the need for entry and filing.

SCHEDULE “A”

Proposed Statement of Claim

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CHESSWOOD GROUP LIMITED, et al.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**ORDER
(LIFT OF STAY OF PROCEEDINGS)**

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

**MOTION RECORD
(Lifting of Stay of Proceedings)**
Returnable November 4, 2025

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