

EXHIBIT "H"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:

Rania Hammad

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Commissioner for Taking Affidavits

*Execution Version***AVIVA INSURANCE COMPANY OF CANADA**November 15, 2021

Ignite Services Inc.
615 Kumpf Dr, Suite 500
Waterloo, ON N2V 1K8

Dear Mr. Livingstone,

Re: Credit Facility in the Amount of \$3,000,000

We are pleased to confirm that Aviva Insurance Company of Canada (together with its successors and assigns, the “**Lender**”) is prepared to make a credit facility in the aggregate amount of \$3,000,000 (the “**Credit Facility**”) available to Ignite Services Inc. (together with its successors and assigns, the “**Borrower**”) in accordance with the terms and conditions and subject to the giving of security as set forth below. Capitalized terms used herein shall have the meanings given to them in Schedule “B”.

Section 1 Guarantors

The obligations of the Borrower under this letter agreement shall be guaranteed by Ignite Insurance Corporation (together with its successors and assigns, “**Ignite Insurance**”), Ignite Holdings Inc. (together with its successors and assigns, “**Ignite Holdings**”), Primary Group Limited (together with its successors and assigns, “**Primary**”) and Subsidiary Guarantors when applicable in accordance with the terms and conditions set forth in this letter agreement.

Section 2 Purpose of Credit Facility

The Credit Facility will be applied by the Borrower solely for working capital purposes to support its liquidity growth initiatives and will be repaid as provided in this letter agreement.

Section 3 Availability, Interest and Repayment

The principal amount of the Credit Facility shall be advanced as a single installment. The Credit Facility does not revolve and any amount repaid or prepaid, as the case may be, cannot be reborrowed and reduces the amount outstanding by the amount repaid or prepaid, as the case may be.

The Credit Facility shall be in the principal amount of \$3,000,000 and shall be advanced pursuant to the Borrower’s instructions on the date of this letter agreement or such other date as may be mutually agreed by the Lender and the Borrower. The term of the Credit Facility shall be three (3) years from the date of the advance to the Borrower (the “**Loan Term**”). Interest shall be accrued monthly on the amounts outstanding under the Credit Facility at a rate of 12% per annum (the “**Base Rate**”).

No regularly scheduled repayment on account of principal or interest of the Credit Facility is required during the Loan Term (and for the avoidance of doubt, any accrued monthly interest which is not paid shall not be compounded or capitalized during the Loan Term). Upon expiry of the Loan Term, any and all amounts (including interest) remaining outstanding from the Borrower to the Lender under the Credit Facility shall become immediately due and payable.

Section 4 Prepayments

- (1) At any time during the Loan Term, the Borrower may repay all or part of the Credit Facility without incurring any additional fees or penalties. Any prepayment of the Credit Facility by the Borrower using proceeds of financings obtained from any person other than a commercial bank or any other lending institution that provides financings as part of its ordinary course of business will be subject to the prior written consent of the Lender.
- (2) The amount of the final payment to be made by the Borrower to the Lender upon the expiry of the Loan Term will be adjusted to reflect all prepayments made pursuant to this Section 4.

Section 5 Payments, Overdue Amounts

All payments by the Borrower to the Lender under this letter agreement shall be made by the Borrower in immediately available funds. All payments required to be made by the Borrower to the Lender shall be made on the date the payment is due. If any payment hereunder is due on a date that is not a Business Day, such payment shall be made by the Borrower on the next day that is a Business Day.

All amounts owed by the Borrower to the Lender, 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 the Base Rate plus two percent (2%).

All amounts received by the Lender from or on behalf of the Borrower and not previously applied pursuant to Section 4 or any other provision of this letter agreement shall be applied by the Lender as follows (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 claims or losses referred to in Section 13, (iii) third, in reduction of the Borrower's obligation to pay any amounts due and owing on account of the Credit Facility, (iv) fourth, in reduction of any other obligation of the Borrower under this letter agreement and the other Loan Documents, and (v) fifth, to the Borrower or such other persons as may lawfully be entitled to or directed to receive the remainder.

Section 6 Calculations

The Borrower acknowledges that certain of the rates of interest applicable to the Credit Facility may be computed on the basis of a year of 365 days or 366 days, as the case may be, and paid for the actual number of days elapsed. For purposes of the *Interest Act* (Canada), whenever any interest is calculated using a rate based on a year of 365 days or 366 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to (i) the applicable rate based on a year of 365 days or 366 days, as the case may be, (ii) multiplied by the actual number of days in the calendar year in which the period for such interest is payable (or compounded) ends, and (iii) divided by 365 or 366, as the case may be.

All calculations of interest shall be made by the Lender, and such calculations shall, in the absence of manifest mathematical error, be final, conclusive and binding on the Borrower. The indebtedness of the Borrower in respect of the advances made by the Lender to the Borrower and interest payable hereunder shall, absent manifest mathematical error, be conclusively evidenced by the books and records of the Lender. The Borrower agrees that so long as the Lender complies with the terms and conditions of this letter agreement, it waives any pre-notification requirements it may be entitled to with respect to changes in payment dates and amounts.

Section 7 Conditions Precedent

No amounts shall be advanced under the Credit Facility until satisfaction of the following conditions, in each case to the satisfaction of the Lender:

- (1) 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 advance;
- (2) The advance will not violate any applicable law, order or judgment;
- (3) All of the representations and warranties of the Obligor contained in this letter agreement and in each other Loan Document are true and correct on the date of the advance as if such representations and warranties were made on that date and the Obligor shall have complied with all covenants on their part to be performed in this letter agreement and the other Loan Documents;
- (4) The Lender has received, in form, substance, scope and dated a date satisfactory to it and its counsel:
 - (a) Certified copies of (i) the constating documents and by-laws of each of the Obligor, (ii) all resolutions of the board of directors and/or shareholders, as applicable, of each of the Obligor approving the Loan Documents to which it is a party, and (iii) a list of the officers and directors of each of the Obligor authorized to sign agreements together with their specimen signatures;

- (b) A certificate of status, compliance or like certificate with respect to each of the Obligors issued by the appropriate Governmental Entity of the location of such Obligor's jurisdiction of formation;
 - (c) The Loan Documents specified in Schedule "A" in form and substance satisfactory to the Lender and its counsel providing for a first priority security interest in all of the assets of the Obligors described in such Loan Documents subject only to Permitted Liens;
 - (d) The Right of First Refusal Agreement;
 - (e) Original share certificates and stock transfer powers of attorney for all shares pledged pursuant to the Loan Documents;
 - (f) Evidence of registration of the applicable Loan Documents in such jurisdictions as the Lender may require;
 - (g) All indebtedness owing by the Borrower to Northbridge General Insurance Corporation ("**Northbridge**") shall have been paid in full and terminated and evidence of discharge of any liens registered by Northbridge against the Borrower shall have been provided to the Lender;
 - (h) All indebtedness owing by the Borrower to Her Majesty in Right of Ontario Represented by the Ministry of Finance ("**MOF**") shall have been paid in full and evidence thereof shall be provided to the Lender, and a post-closing undertaking with respect to delivery of evidence of discharge of any liens registered by MOF against the Borrower shall be provided to the Lender;
 - (i) All other discharges, subordination agreements, waivers and confirmations as may be required by the Lender to ensure that all obligations under the Loan Documents are secured by first priority liens on the property and assets of the Obligors described in the Loan Documents with such exceptions as are permitted pursuant to this letter agreement or any of the Loan Documents;
 - (j) Certificates of insurance showing the Lender as loss payee and named insured, as applicable, on insurance policies of the Borrower and any other Loan Parties with active and operating businesses;
 - (k) Such other certificates and documentation as the Lender may reasonably request.
- (5) The Lender shall have completed, to its satisfaction, a due diligence review of the Obligors and the Business; and
- (6) The Lender shall have received for each of the Obligors that has issued financial statements its most recent financial statements certified by each of them to be true and correct and disclosing the extent of any joint interest in any such assets or liabilities.

Section 8 Representations and Warranties

The Borrower represents and warrants to the Lender on behalf of itself and each of the other Loan Parties and acknowledges and confirms that the Lender is relying upon such representations and warranties without independent inquiry in entering into this letter agreement and in making the Credit Facility available, that:

- (1) **Incorporation and Qualification.** Each of the Loan Parties is a corporation duly incorporated, organized and validly existing under the laws of the Province of Ontario. Each of the Loan Parties 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;
- (2) **Corporate Power.** Each of the Loan Parties (i) has all requisite power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted by it, and (ii) has all requisite power and authority to enter into and perform its obligations under this letter agreement and each of the other Loan Documents to which it is a party;
- (3) **Conflict With Other Instruments.** The execution and delivery by each of the Loan Parties and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this letter agreement and each of the other Loan Documents to which it is a party will not (i) conflict with or result in a breach of any of the terms or conditions of (t) its constating documents or by-laws, (u) any applicable law, rule or regulation, (v) any contractual restriction binding on or affecting it or its properties, including any agreement with respect to Funded Debt, or (w) any judgment, injunction, determination or award which is binding on it, or (ii) result in, require or permit the imposition of any encumbrance in, on or with respect to any of its assets or property (except in favour of the Lender);
- (4) **Corporate Action, Governmental Approvals, etc.** The execution and delivery of this letter agreement and each of the other Loan Documents to which it is a party by each of the Loan Parties and the performance by each of the Loan Parties of its obligations under this letter agreement and each of the other Loan Documents to which it is a party have been duly authorized by all necessary corporate action including the obtaining of all necessary shareholder consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Entity or other person, is or was necessary in connection with the execution, delivery and performance of obligations under this letter agreement or any of the other Loan Documents to which each of the Loan Parties is a party except as are in full force and effect, unamended, at the date of this letter agreement;
- (5) **Execution and Binding Obligation.** This letter agreement and each of the other Loan Documents to which each of the Loan Parties is a party have been duly executed and delivered by such Loan Party and constitute legal, valid

and binding obligations of such Loan Party enforceable against it in accordance with their respective terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, arrangement or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies;

- (6) **Authorizations, etc.** Each of the Loan Parties possesses all authorizations, permits, consents, registrations and approvals necessary to properly conduct the Business and all such authorizations, permits, consents, registrations and approvals are in good standing and in full force and effect;
- (7) **Ownership and Use of Property.** Except for Permitted Liens, each of the Loan Parties has good and merchantable title to all the tangible and intangible personal property reflected as assets in its books and records. Each of the Loan Parties owns, leases or has the lawful right to use all of the assets necessary for the conduct of the Business at full operating capacity;
- (8) **Ownership of Real Property.** None of the Loan Parties (i) owns or is bound by any agreement to own any real property or (ii) leases or is bound by any agreement to lease any real property except as described in Schedule "C".
- (9) **Compliance with Laws.** Each of the Leased Properties has been used, and each of the Loan Parties is, in material compliance with all applicable laws, judgments and orders and rulings, guidelines and decisions having force of law, including, for greater certainty, all disclosure requirements;
- (10) **No Default.** None of the Loan Parties is in violation of its constating documents, its by-laws or any shareholders' agreement applicable to it;
- (11) **No Material Adverse Agreements.** None of the Loan Parties 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 may have, a Material Adverse Effect;
- (12) **Environmental Compliance.**
 - (a) To the best knowledge and belief of the Borrower, none of the Leased Properties or other property or assets under the charge, management or control of any Loan Party (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, at or under it at the date of this letter agreement;
 - (b) To the best knowledge and belief of the Borrower, no properties adjacent to any of the Leased Properties are contaminated;
 - (c) To the best knowledge and belief of the Borrower, there are no contaminants located on, at or under any of the Leased Properties; and

- (d) None of the Loan Parties has transported, removed or disposed of any waste to a location outside of Canada as at the date of this letter agreement;
- (13) **Employee Plans.**
- (a) All Employee Plans have been established, registered, administered and invested in accordance with all laws. No fact or circumstance exists which could adversely affect the registered status of any such Employee Plan;
 - (b) Each of the Loan Parties has made all contributions and paid all premiums in respect of each of its Employee Plans in a timely fashion in accordance with the terms of each of its Employee Plans and applicable laws;
 - (c) Other than routine claims for benefits, no Employee Plan is subject to any pending action, investigation, examination, claim or any other proceeding initiated by any person, 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;
 - (d) With respect to each Employee Plan which is a registered pension plan, there has been no transfer of assets from or merger with another pension plan and no Loan Party has ever sponsored or participated in a defined benefit pension plan; and
 - (e) None of the Employee Plans (other than registered pension plans) provide for retiree benefits or for benefits to retired employees or to the beneficiaries or dependents of retired employees;
- (14) **Material Agreements, etc.** Each of the Loan Parties is in compliance with all Material Agreements to which it is a party and no Loan Party nor, to the knowledge of the Borrower, any other party to any Material Agreement has defaulted 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 under, or in respect of, any Material Agreement. There is no material dispute regarding any Material Agreement;
- (15) **Books and Records.** There are no material inaccuracies or discrepancies in the books and records of each of the Loan Parties. Each of the Loan Parties' books and records and other data and information are available to such Loan Party in the ordinary course of its business;
- (16) **Tax Liability.** Each of the Loan Parties has filed all tax and information returns which are required to be filed. Each of the Loan Parties has paid all taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by it other than those in respect of which liability based on such returns is being contested in good faith and by appropriate proceedings where adequate reserves have been established in accordance with ASPE. Adequate provision for payment has

been made for taxes not yet due. There are no tax disputes existing or pending involving any Loan Party or the Business;

(17) **Corporate Structure.** At the date of this letter agreement:

- (a) There are no Subsidiaries of either of the Loan Parties;
- (b) The owners of the issued and outstanding share capital of the Borrower are as follows:

Shareholder	Shares Owned
Ignite Holdings	100 common shares

- (c) The owners of the issued and outstanding share capital of Ignite Insurance are as follows:

Shareholder	Shares Owned
Ignite Holdings	100 common shares

- (18) **Shareholders, etc.** As of the date of this letter agreement, there is no shareholders' agreement with respect to any of the Loan Parties;
- (19) **Intellectual Property.** None of the Loan Parties owns, possesses or receives the benefit of any trademarks, trade names, copyrights, patents or licences, other than as set out in Schedule "L".
- (20) **Funded Debt.** None of the Loan Parties has incurred any Funded Debt other than pursuant hereto and the Funded Debt listed in Schedule "D". With respect to Funded Debt that has been repaid (including, without limitation, the Funded Debt owed by the Borrower to Northbridge), there shall be no surviving obligations or covenants that are binding upon any of the Loan Parties;
- (21) **Financial Statements.** The issued 2020 and draft 2021 financial statements of the Borrower, copies of each of which have been furnished to the Lender, fairly present the financial position of the Borrower at such date and the results of the operations and changes in financial position of the Borrower for such period, all in accordance with ASPE. Furthermore, as at the date of this letter agreement, other than the Borrower, none of the other Loan Parties has issued any financial statements;
- (22) **Pension Plans.** None of the Loan Parties sponsors or is obligated to contribute to any pension plans (for the purposes of any applicable pension benefits or tax statute or regulation in Canada);
- (23) **Schedule Disclosure.** At the date of this letter agreement:
 - (a) Schedule "E" is a list of all jurisdictions (or registration districts within such jurisdictions) in which each of the Loan Parties (i) has its chief executive office, head office, registered office and chief place of

- business, (ii) carries on business, (iii) has any account debtors, or (iv) stores any tangible personal property (except for goods in transit in the ordinary course of business);
- (b) Schedule "F" is a list of all authorizations, permits, consents, registrations and approvals which are material to any of the Loan Parties;
 - (c) Schedule "G" is a list and description of all actions, suits, arbitrations or proceedings pending, or to the best of the Borrower's knowledge and belief, threatened, before or by any Governmental Entity or other person in excess of \$50,000 affecting the Loan Parties or the Business; and
 - (d) Schedule "H" contains a list of all agreements (including employment agreements), contracts or similar instruments to which any of the Loan Parties is a party or to which any of its assets could be subject, for which breach, non-performance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect;
- (24) **Producers.** At the date of this Agreement, the only producer service agreements to which any of the Loan Parties is a party are listed in Schedule "I". Schedule "I" also identifies all those producers that have an ownership interest in any book of business of any of the Loan Parties, and specifies the ownership percentage of such producers with respect to such books of business; and
- (25) **Disclosure.** All (i) forecasts and projections supplied to the Lender were prepared in good faith, adequately disclosed all relevant assumptions and are reasonable, and (ii) other written information supplied to the Lender is true and accurate in all material respects. 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 Lender. No event has occurred which could be reasonably anticipated to have a Material Adverse Effect since the date of this letter agreement.

Section 9 Survival of Representations and Warranties.

The representations and warranties in this letter agreement, the other Loan Documents and in any certificates or documents delivered to the Lender shall not merge in or be prejudiced by and shall survive the initial advance and shall continue in full force and effect so long as any amounts are owing by any of the Loan Parties to the Lender under the Loan Documents.

Section 10 Covenants

(A) Affirmative Covenants

So long as any amount owing under this letter agreement remains unpaid or the Lender has any obligation under this letter agreement, the Borrower shall, and shall cause each of the other Loan Parties, as applicable, to:

- (1) **Financial Reporting.** Deliver to the Lender as soon as practicable and in any event within one hundred and twenty (120) days after the end of each Financial Year, copies of the audited financial statements of the Borrower for the Financial Year. Furthermore, with respect to Loan Parties other than the Borrower (the “**Other Loan Parties**”), at the same time the Borrower delivers its financial statements to the Lender, it shall also provide to the Lender either (i) an attestation that none of the Other Loan Parties has any active or operating business and no financial statement has been issued, or (ii) annual financial statements of such Other Loan Parties prepared in a format acceptable to the Lender, acting reasonably;
- (2) **Compliance Certificate.** Quarterly, within sixty (60) days of the end of each first, second and third fiscal quarters, within one hundred and twenty (120) days of the end of its fourth quarter, and at any other time or times within five (5) Business Days after written request by the Lender for same, deliver to the Lender a Compliance Certificate in the form attached as Schedule “K” duly executed by its proper officers stating that it has kept, observed, complied with, fulfilled and performed each and every term, covenant and condition in this letter agreement and those in the Loan Documents on its part to be kept and performed, and the Borrower shall attach to each such Compliance Certificate delivered documents supporting the certifications included therein;
- (3) **Environmental Reporting.** Promptly, and in any event within ten (10) days of such occurrence, deliver to the Lender a detailed statement describing any of the following occurrences (i) any order or judgment of any Governmental Entity requiring any Loan Party to incur Environmental Liabilities (w) in excess of \$50,000 in any one instance, (x) together with all other expenditures incurred in respect of Environmental Liabilities by the Loan Parties in any Financial Year, in excess of \$100,000 in the aggregate, (ii) any state of affairs on any of the Leased Properties which could result in the incurrence of Environmental Liabilities, (y) in excess of \$50,000 in any one instance, or (z) together with all other expenditures incurred in respect of Environmental Liabilities by the Loan Parties in any Financial Year, in excess of \$100,000 in the aggregate, and (iii) the action taken or proposed to be taken in connection with such occurrences;
- (4) **Additional Reporting Requirements.** Deliver to the Lender (i) within thirty (30) days of the commencement of each Financial Year, the business plan and/or financial forecast for the Loan Parties for the Financial Year, together with detailed schedules and information supplementary to and consistent with such business plan and/or financial forecast, (ii) as soon as practicable, and in any event within five days after the occurrence of each Default or Event of Default, a statement of the chief financial officer of the Borrower setting forth the details of the Default or Event of Default and the action

which the Borrower proposes to take or has taken, (iii) from time to time upon request of the Lender, evidence of the maintenance of all insurance required to be maintained pursuant to this letter agreement, including originals or copies as the Lender may request of policies, certificates of insurance, riders, endorsements and proof of premium payments, and (iv) such other information respecting the condition or operations, financial or otherwise, of the Business or the Loan Parties as the Lender may from time to time reasonably request;

- (5) **Corporate Existence.** Except as otherwise permitted in this letter agreement, preserve and maintain the corporate existence of each of the Loan Parties;
- (6) **Compliance with Laws, etc.** Comply with the requirements of all applicable laws, judgments, orders, decisions and awards except where non-compliance could not reasonably be expected to have a Material Adverse Effect;
- (7) **Conduct of Business.** Conduct in each Financial Year the Business in accordance with good business practice;
- (8) **Environmental Investigations.** Promptly, if the Lender has a good faith concern that a discharge of a contaminant has occurred or a condition exists on any of the Leased Properties that could have a Material Adverse Effect, cause to be conducted such environmental investigations (including environmental site assessments and environmental compliance reviews) as are reasonably required by the Lender by an environmental consultant approved by the Lender, such approval not to be unreasonably withheld, and remedy any condition or non-compliance with Environmental Laws revealed by any such investigation;
- (9) **Maintenance of Properties.** From time to time, make all repairs, renewals, replacements, additions and improvements to the Leased Properties and its other properties and assets, so that the Business may be properly and advantageously conducted at all times in accordance with prudent business management practice;
- (10) **Accountants.** Appoint as the Loan Parties' accountants a firm of national standing or accountants otherwise acceptable to the Lender, acting reasonably;
- (11) **Payment of Taxes and Claims.** Pay or cause to be paid when due, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its income, sales, capital or profit or any other property belonging to it, and (ii) all claims which, if unpaid, might by law become a Lien upon the assets, except any such tax, assessment, charge, levy or claim which is being contested in good faith and by proper proceedings and in respect of which the applicable Loan Party has established adequate reserves in accordance with ASPE or which are Permitted Liens;
- (12) **Keeping of Books.** Keep proper books of record and account, in which full and correct entries shall be made in respect of the Business;

- (13) **Visitation and Inspection.** At any reasonable time or times, upon no less than 2 Business Days' prior written notice, permit the Lender to visit the properties of the Loan Parties, and to discuss their affairs, finances and accounts with the officer appointed as (or performing the functions of) the chief financial officer of the applicable Loan Party;
- (14) **Maintenance of Insurance.** Maintain insurance at all times with responsible insurance carriers and in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Loan Parties operate, such policies to show the Lender as first loss payee and additional insured, as applicable, under a mortgage clause in a form approved by the Insurance Bureau of Canada;
- (15) **Status of Accounts Collateral.** With respect to the Collateral (i) maintain books and records pertaining to the Collateral in such detail, form and scope as the Lender reasonably requires, (ii) report immediately to the Lender any matters materially adversely affecting the value, enforceability or collectability of the Collateral, and (iii) notify the Lender in writing of any agreement under which any terms of sale or service (written or oral) which are materially different from normal operating procedures may have been or will be granted;
- (16) **Business Outside Certain Jurisdictions.** At least 30 days prior to any of the following changes becoming effective, notify the Lender in writing of (i) any proposed change in the location of (w) any place of business of any Loan Party, (x) the chief executive office or head office of any Loan Party, (y) any place where tangible property of any Loan Party is stored, and (ii) any proposed change in the name of any Loan Party;
- (17) **Producer Service Agreements.** Promptly, and in any event within ten (10) days of entering into the same, notify the Lender of the entry by any Loan Party into any producer service agreement and provide the Lender with such details that are specified in Schedule "I";
- (18) **Perfection and Protection of Security Interest.** Promptly cure or cause to be cured any defects in the execution and delivery of any of the Loan Documents or any defects in the validity or enforceability of any of the Security and at its expense, execute and deliver or cause to be executed and delivered, all such agreements, instruments and other documents (including the filing of any financing statements or financing change statements) as the Lender may consider necessary or desirable to protect or otherwise perfect the Security; and
- (19) **Further Assurances.** At its cost and expense, upon request of the Lender, execute and deliver or cause to be executed and delivered to the Lender 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 Lender to carry out more effectually the provisions and purposes of this letter agreement and the other Loan Documents.

(B) **Negative Covenants**

So long as any amount owing under this letter agreement remains unpaid or the Lender has any obligation under this letter agreement the Borrower shall not, and shall not suffer or permit any of the other Loan Parties to, without the prior written consent of the Lender:

- (1) **Funded Debt.** Create, incur, assume or suffer to exist any Funded Debt other than Funded Debt to the Lender under the Loan Documents and any Funded Debt referred to in Schedule "D";
- (2) **Liens.** Create, incur, assume or suffer to exist any Lien on any of the Loan Parties' properties or assets, other than Permitted Liens;
- (3) **Name and Relevant Jurisdictions.** Change its name or any of the jurisdictions listed on Schedule "E", in each case, without providing at least 30 days prior written notice to the Lender;
- (4) **Mergers, Etc.** Enter into any reorganization, consolidation, amalgamation, arrangement, winding-up, merger or other similar transaction;
- (5) **Disposal of Assets Generally.** Sell, exchange, lease, release or abandon or otherwise dispose of any assets or properties (other than any book of business or any part thereof) of any Loan Party to any person other than (i) bona fide sales, exchanges, leases, abandonments or other dispositions in the ordinary course of business for the purpose of carrying on the Business and at fair market value, and (ii) property or assets (other than shares) which have no material economic value in the Business or are obsolete;
- (6) **Disposal of Books of Business.** Sell, exchange, transfer or otherwise dispose of any book of business (or any part thereof) of any Loan Party;
- (7) **Transactions with Related Parties.** Directly or indirectly, enter into any agreement with, provide any Financial Assistance for, or otherwise enter into any transaction with, a Related Party except (i) in compliance with Section 10(B)(10) or Section 10(B)(11) or (ii) in the ordinary course of, and pursuant to the reasonable requirements of, business and at prices and on terms not less favourable to the relevant Loan Party than could be obtained in a comparable arm's length transaction with another person. For greater certainty, nothing in this letter agreement shall restrict loans made on an unsecured basis by Primary to the Borrower;
- (8) **Change in Business.** Make any change in the nature of the Business;
- (9) **Share Capital.** Issue shares, or any options, warrants or securities convertible into shares;
- (10) **Distributions.** Declare, make or pay any (i) dividend or other distribution on its issued shares, (ii) amounts related to the purchase, redemption or

retirement amount of any of its issued shares, warrants or any other options or rights to acquire its shares redeemed or purchased by it, or (iii) payments to any Related Party other than on account of Compensation, in each case, without giving the Lender five (5) Business Days prior written notice of such declaration, making or payment, with such notice containing the necessary financial information confirming that no Default or Event of Default has occurred and is continuing or would occur as a result of such transaction;

- (11) **Compensation.** Change the amount, percentage, rate or any other element of the Compensation of any director, former director, officer, shareholder, employee or affiliate or other Related Party of any Obligor, or enter into any contract which would obligate any Loan Party to provide any Compensation, unless for any such transaction, no Default or Event of Default has occurred and is continuing and the Borrower has provided to the Lender the necessary financial information confirming that no Default or Event of Default would occur as a result of such transaction;
- (12) **Lease-Backs.** Enter into any arrangements, directly or indirectly, with any person, whereby it shall sell or transfer any property, whether now owned or hereafter acquired, used or useful in the Business, in connection with the rental or lease of the property so sold or transferred or of other property for substantially the same purpose or purposes as the property so sold or transferred;
- (13) **Subsidiaries.** Incorporate or acquire any Subsidiaries or commence to carry on the Business, otherwise than through the Loan Parties;
- (14) **Financial Year.** Change its Financial Year;
- (15) **Capital Expenditures.** Make or commit to make, in any Financial Year any Capital Expenditures exceeding, for all Loan Parties, in the aggregate \$500,000;
- (16) **New and Amendments to Material Agreements.** Enter into or allow any amendments to any Material Agreement unless prior written notice of same is provided to the Lender;
- (17) **Shareholder Agreements.** Enter into or otherwise become bound by any unanimous shareholder agreement or shareholder declaration.
- (18) **Share Transfers.** Allow any transfers of shares in the capital of any Loan Party;
- (19) **Contaminants, etc.** Permit any asbestos, asbestos-containing materials, PCBs, radioactive substances or other contaminants which could be the subject of a clean-up order to be located on, at or under any of the Leased Properties. Permit any underground storage vessels to be located or installed at any of the Leased Properties;
- (20) **Employee Plans.** Become a participating or sponsoring employer under any employee plan that is or should be subject to applicable pension standards legislation not currently maintained or sponsored by any Loan Party; or

- (21) **Customer Information.** Disclose or otherwise make available to any third party any confidential customer data and information collected by it in its dealings with customers including, without limitation, any customers lists, customer contact information, policy numbers and related expiry dates, other than (i) disclosure to an insurer in the ordinary course of business for the sole purpose of enabling the underwriting of insurance policies for its customers; (ii) disclosure on a confidential basis to suppliers of any Loan Party in the ordinary course of business for the sole purpose of enabling such Loan Party to service its customers; and (ii) disclosure required to be made by law.

Section 11 Events of Default.

If any of the following events (each an “**Event of Default**”) occurs and is continuing:

- (1) The Borrower fails to pay any amount owed to the Lender under the Credit Facility when such amount becomes due and payable;
- (2) Any representation or warranty or certification made or deemed to be made by any Obligor or its directors or officers, if applicable, to the Lender in any Loan Document or in any other agreement with the Lender shall prove to have been incorrect 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 five (5) Business Days;
- (3) Any Loan Party fails to perform, observe or comply with any term, covenant or agreement contained in Section 10(B) or the Right of First Refusal Agreement;
- (4) Any Loan Party fails to perform, observe or comply with any term, covenant or agreement in any agreement with the Lender (except Section 10(B) or the Right of First Refusal Agreement) and such failure remains unremedied for five (5) Business Days;
- (5) Ignite Holdings fails to perform, observe or comply with any term, covenant or agreement contained in the Right of First Refusal Agreement;
- (6) Any Loan Party fails to pay the principal of, or premium or interest on, any of its Funded Debt (excluding Funded Debt under this letter agreement) which is outstanding in an aggregate principal amount exceeding \$100,000 when such amount becomes due and payable (whether by scheduled maturity, required repayment, acceleration, demand or otherwise);
- (7) Any judgment or order for the payment of money in excess of Cdn. \$100,000 (or the equivalent amount in any other currency) is rendered against any Loan Party and either (i) enforcement proceedings have been commenced by a creditor upon the judgment or order, or (ii) there is any period of fifteen

- (15) consecutive days during which a stay of enforcement of the judgment or order, by reason of a pending appeal or otherwise, is not in effect;
- (8) Any Loan Party incurs any Environmental Liabilities which will require expenditures, (i) for any one occurrence, in excess of \$50,000, or (ii) aggregating in any Financial Year on a consolidated basis, \$100,000;
- (9) There is a Change of Control;
- (10) Any Obligor (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, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or (z) the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its properties and 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 30 days, 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, trustee, custodian 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;
- (11) Any Loan Party ceases to be registered as required in the jurisdictions in which it is required to be so registered;
- (12) Any Loan Party that is registered as an insurance broker ceases to be an insurance broker of the Lender; or
- (13) There has occurred or been threatened, in the opinion of the Lender, acting reasonably, an event or development having or likely to have a Material Adverse Effect;

then the Lender may declare the Credit Facility, all accrued interest and all other amounts payable under this letter agreement to be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are expressly waived by the Borrower.

Section 12 Remedies Upon Default

- (1) Upon a declaration that the Credit Facility is immediately due and payable pursuant to Section 11, the Lender may commence such legal action or proceedings as it, in its sole discretion, deems expedient, including the commencement of enforcement proceedings under the Loan 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 Lender under the Loan Documents are cumulative and are in addition to, and not in substitution for, any other rights or remedies. Nothing contained in the Loan Documents with respect to the indebtedness or liability of the Obligors to the Lender, nor any act or omission of the Lender with respect to the Loan Documents or the Security shall in any way prejudice or affect the rights, remedies and powers of the Lender under the Loan Documents and the Security.

Section 13 Indemnity

- (1) Each of the Loan Parties shall, whether or not the transactions contemplated in this letter agreement are completed, indemnify and hold the Lender and its officers, directors, employees and agents (each an **"Indemnified Person"**) harmless from, and shall pay to such Indemnified Person on demand any amounts required to compensate the Indemnified Person for, any claim or loss suffered by, imposed on, or asserted against, the Indemnified Person as a result of, connected with or arising out of (i) a default (whether or not constituting a Default or an Event of Default) by any Obligor, including any costs of realization pursuant to the Loan Documents (including any costs or expenses not recovered from any Shareholder pursuant to the Loan Documents), (ii) any proceedings brought against the Indemnified Person due to its entering into this letter agreement or any of the other Loan Documents and performing its obligations under this letter agreement or the other Loan Documents, and (iii) the presence at, on or under or the discharge or likely discharge of contaminants from any of the Leased Properties or any of the properties now or previously used by any Loan Party, or the breach by or non-compliance with any Environmental Law by any mortgagor, owner, or lessee of such properties, provided that such indemnity shall not, as to any Indemnified Person, be available to the extent that such losses, claims, damages, liabilities or related expenses have resulted from the gross negligence or wilful misconduct of such Indemnified Person.
- (2) The Loan Parties shall pay to the Lender on demand any amounts required to compensate the Lender for any loss suffered or incurred by it as a result of (i) the failure of the Borrower to give any notice in the manner and at the times required by this letter agreement, or (ii) the failure of the Borrower to make a payment or a mandatory repayment in the manner and at the time specified in this letter agreement. A certificate as to the amount of any loss submitted in good faith by the Lender to the Borrower shall be conclusive and binding for all purposes, absent manifest error.
- (3) The provisions of this Section 13 shall survive the termination of this letter agreement and the repayment of all amounts owing hereunder.

Section 14 Miscellaneous

- (1) **Amendments.** No amendment or waiver of any provision of this letter agreement or any of the other Loan Documents, nor consent to any departure by the Borrower or any other person from such provisions, is effective unless in writing and approved by the Lender. Any amendment, waiver or consent is effective only in the specific instance and for the specific purpose for which it was given.
- (2) **Interpretation.** As the context requires, words importing the singular number shall include the plural and vice versa, and words importing gender including the masculine, feminine and neuter genders. All accounting terms not otherwise specifically defined in this letter agreement shall be construed in accordance with ASPE. In any Loan 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", and (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". All references to "Schedule" and "Schedules" in this letter agreement mean such Schedule(s) as they are amended from time to time.
- (3) **Waiver.** No failure on the part of the Lender to exercise, and no delay in exercising, any right under this letter agreement or any of the Loan Documents shall operate as a waiver of such right; nor shall any single or partial exercise of any right under this letter agreement or any of the Loan Documents preclude any other or further exercise of such right or the exercise of any other right. Except as otherwise expressly provided in this letter agreement, the covenants, representations and warranties shall not merge on and shall survive the initial advance and, notwithstanding such initial advance or any investigation made by or on behalf of any party, shall continue in full force and effect. 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 letter agreement or in respect of any right to damages or other remedies.
- (4) **Notices.** Any notice, direction or other communication required or permitted to be given under this letter agreement shall be in writing and given by delivering it or sending it by facsimile, email or other similar form of recorded or electronic communication addressed:

- (a) if to the Borrower, to it at:

615 Kumpf Dr, Suite 500
Waterloo, ON N2V 1K8

Attention: Steve Livingstone
Telephone: 519-340-1000 ext. 100
Email: slivingstone@ahainsurance.ca

(b) if to the Lender by email, to it at:

Email: generalcounsel.ca@aviva.com

If to the Lender other than by email, to it at:

10 Aviva Way, Suite 100
Markham, ON L6G 0G1

Attention: Chief Financial Officer

Telephone: 365-873-5966

With a copy to the same address:

Attention: General Counsel and Chief Legal Officer

Telephone: 365-873-5038

Any communication shall be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (local time in place of receipt), (ii) if transmitted by facsimile, email or similar means of recorded or electronic communication, on the Business Day following the date of transmission. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.

(5) Successors and Assigns.

- (a) This letter agreement shall become effective when executed by the Borrower and the Lender and after that time shall be binding upon and enure to the benefit of the Borrower, the Lender and their respective successors and permitted assigns.
- (b) The Borrower shall not have the right to assign its rights or obligations under this letter agreement or any interest in this letter agreement without the prior consent of the Lender, which consent may be arbitrarily withheld.
- (c) The Lender may at any time assign all or any part of its interest in the Credit Facility to one or more persons (each an “Assignee”) without any requirement for notice to, or consent of, the Borrower or any other person.
- (d) Upon an assignment, the Assignee shall have the same rights and benefits and be subject to the same limitations under this letter agreement and the Loan Documents as it would have if it was a Lender, provided that no Assignee shall be entitled to receive any greater

payment, on a cumulative basis, pursuant to Section 13 than the Lender which granted the assignment would have been entitled to receive.

- (e) The Borrower shall provide such certificates, acknowledgments and further assurances in respect of this letter agreement and the Credit Facilities as the Lender may reasonably require in connection with any assignment, pursuant to this Section 14(5).
 - (f) Any assignment pursuant to this Section 14(5) will not constitute a repayment by the Borrower to the assigning or granting Lender of the Credit Facility nor a new loan to the Borrower by the Lender or by the Assignee and the parties acknowledge that the Borrower's obligations with respect to the Loan will continue and will not constitute new obligations.
- (6) **Right of Set-off.** Upon the occurrence and during the continuance of any Event of Default, the Lender is authorized at any time and from time to time, to the fullest extent permitted by law (including general principles of common-law), to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by it to or for the credit or the account of any Loan Party, including any commissions, against any and all of the obligations of the Loan Parties, as the case may be, under this letter agreement or any of the Loan Documents, irrespective of whether or not the Lender has made demand under this letter agreement or any of the Loan Documents and although such obligations may be unmatured or contingent. If an obligation is unascertained, the Lender may, in good faith, estimate the obligation and exercise its right of set-off in respect of the estimate, subject to providing the Borrower with an accounting when the obligation is finally determined. The Lender shall promptly notify the Borrower after any set-off and application is made by it, provided that the failure to give notice shall not affect the validity of the set-off and application. The rights of the Lender under this Section 14(6) are in addition to other rights and remedies (including all other rights of set-off) which the Lender may have.
- (7) **Confidentiality.** Subject to applicable regulatory requirements, each of the Borrower and the Lender agrees to keep (and to cause their respective directors, officers, shareholders and employees, as the case may be, to keep) the terms of this letter agreement confidential. The Borrower shall cause the other Loan Parties and their respective successor and permitted assigns to comply with this provision. The Lender agrees to keep (and to cause its respective directors, officers, shareholders and employees, as the case may be, to keep) confidential all Confidential Information disclosed to it during the course of the Loan Term. The provisions of this clause shall survive termination of this Agreement.
- (8) **Conflict.** In the event of conflict between the provisions of this letter agreement and the provisions of any of the other Loan Documents, the provisions of this letter agreement shall prevail. Nothing herein, however, shall limit or restrict the rights and remedies of the Lender under the Loan

Documents in the absence of conflict or after an Event of Default or a demand for payment under the Credit Facility.

- (9) **Currency.** The advance of the Credit Facility and accrued interest shall be **repaid** or paid in Canadian dollars. All dollar amounts referred to in this letter agreement shall be deemed to refer to Canadian dollars.
- (10) **Governing Law.** This letter agreement shall be governed by and interpreted and **enforced** in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (11) **Counterparts.** This letter agreement may be executed in any number of **counterparts** and all of such counterparts taken together shall be deemed to constitute one and the same instrument, and each party may deliver such executed counterparts electronically, or by facsimile.

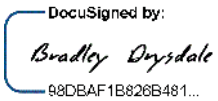
[SIGNATURE PAGE FOLLOWS]

- 22 -

Please evidence your approval and acceptance of this letter agreement by signing and returning the enclosed copy on or before the 15th day of November, 2021.

Yours truly,

**AVIVA INSURANCE COMPANY OF
CANADA**

By:  98DBAF1B826B481...

Name: Bradley Drysdale
Title: Authorized Signatory

The undersigned agrees to and accepts this letter agreement on and subject to its terms and conditions.

IGNITE SERVICES INC.

By:

Name:
Title:

By:

Name:
Title:

- 22 -

Please evidence your approval and acceptance of this letter agreement by signing and returning the enclosed copy on or before the 15th day of November, 2021.

Yours truly,

**AVIVA INSURANCE COMPANY OF
CANADA**

By:

Name:

Title: Authorized Signatory

The undersigned agrees to and accepts this letter agreement on and subject to its terms and conditions.

IGNITE SERVICES INC.

By:



Name: Stephen D. Livingstone

Title: President and Secretary

By:



Name: Stephen D. Livingstone

Title: President and Secretary

SCHEDULE "A"
LOAN DOCUMENTS

BORROWER:

- (1) The Borrower shall provide a general security agreement in favour of the Lender over all of its property and assets.

PRIMARY:

- (2) Primary shall guarantee on an unsecured basis, up to the amount of \$4,200,000, the obligations of the Borrower under this letter agreement.

IGNITE INSURANCE AND OTHER SUBSIDIARY GUARANTOR(S):

- (3) Ignite Insurance and each other Subsidiary Guarantor shall unconditionally guarantee the obligations of the Borrower under this letter agreement.
- (4) Ignite Insurance and each other Subsidiary Guarantor shall provide a general security agreement in favour of the Lender over all of its property and assets.

IGNITE HOLDINGS:

- (5) Ignite Holdings shall guarantee, on a limited recourse basis, the obligations of the Borrower under this letter agreement.
- (6) Ignite Holdings shall provide a securities pledge agreement in favour of the Lender over all of its shares in the capital of each of the Loan Parties.
- (7) The Borrower and any other Loan Parties with active operating business shall provide certificates of insurance indicating coverages in force in amounts and with insurers satisfactory to the Lender and naming the Lender as additional insured and loss payee in, as the case may be, all property, accident, general liability, fire and casualty policies of insurance, which insurance policies shall contain a clause that provides they may only be cancelled upon 30 days prior written notice to the Lender.

SCHEDULE "B" DEFINITIONS

For the purposes of this letter agreement:

"ASPE" means, at any time, accounting standards for private enterprises in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants at the relevant time applied on a consistent basis (except for changes made with the prior written consent of the Lender and approved by the Borrower's independent auditors in accordance with promulgations of the Canadian Institute of Chartered Accountants).

"Business" means the business carried on by the Borrower which primarily involves the business of an insurance broker.

"Business Day" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

"Capital Expenditures" means expenditures by a person made for the purchase, lease or acquisition of assets (other than current assets) required to be capitalized in accordance with ASPE.

"Change of Control" means Ignite Holdings ceases to own 100% of the voting shares in the share capital of each of the Borrower and Ignite Insurance; or (ii) any of the Loan Parties ceases to own 100% of the voting shares in the applicable Subsidiary Guarantors.

"Collateral" means any and all property and assets in respect of which the Lender has or will have a Lien pursuant to a Loan Document.

"Compensation" means any advance, salary, bonus, consulting fee, management fee, incentive compensation or other amount, or benefits provided to any director, former director, officer, shareholder, employee or affiliate or other Related Party of any Obligor.

"Compliance Certificate" means a certificate in the form attached as Schedule "K" delivered to the Lender pursuant to Section 10(A)(2);

"Confidential Information" means all information relating to the Borrower, including its financial statements or any other financial data, business or technical information, methods, practices, operational processes, as well as information regarding the Borrower's employees, clients, suppliers and other business partners of which the Lender becomes aware in its capacity as Lender, which is received by the Lender from the Borrower (or any of the Borrower's advisers) in whatever form, regardless of whether or not it is identified as "confidential".

"Credit Facility" has the meaning given to such term in the first paragraph.

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

"Employee Plans" means all the employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of

control, pension, retirement, 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 any Loan Party maintained, sponsored or funded by any Loan Party, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered.

“Environmental Laws” means all applicable laws, regulations, orders, judgments, decisions of and agreements with a Governmental Entity and all other statutory requirements relating to public health or the protection of the environment and all authorizations, permits, consents, registrations and approvals issued pursuant to such laws, agreements or statutory requirements.

“Environmental Liabilities” means all liabilities imposed by, under or pursuant to Environmental Laws or which relate to the existence of contaminants on, under or about the Leased Properties.

“Event of Default” has the meaning given to such term in Section 11.

“Financial Assistance” means any advances, loans or other extensions of credit, guarantees, indemnities or other contingent liabilities in the nature of a guarantee or indemnity or capital contributions (other than prepaid expenses in the ordinary course of business) to (by means of transfers of property, money or assets), or any purchase of any shares, stocks, bonds, notes, debentures or other securities of, or any purchase of all or any portion of a book of business from, any person or the acquisition of all or substantially all the assets of, any person or of a business carried on by, or a division of, any person, or any obligation to make or do any of the foregoing. In determining the aggregate amount of Financial Assistance outstanding at any particular time, (i) take the amount of any investment represented by a guarantee or similar contingent obligation at not less than the principal amount of the obligations guaranteed and outstanding, (ii) deduct in respect of any Financial Assistance any amount received by a person as return of capital (but only by repurchase, redemption, retirement, repayment, liquidating dividend or liquidating distribution), (iii) do not deduct in respect of any Financial Assistance any amounts received as earnings on such Financial Assistance, whether as dividends, interest or otherwise, and (iv) do not deduct from the aggregate amount of Financial Assistance any decrease in its market value.

“Financial Year” means, in relation to the Loan Parties, their financial year commencing on April first of each calendar year and ending on March thirty-first of the following calendar year.

“Funded Debt” of any person means (i) all indebtedness of such person for borrowed money, including borrowings of commodities, bankers' acceptances, letters of credit or letters of guarantee, (ii) all indebtedness of such person for the deferred purchase price of property or services represented by a note, bond, debenture or other evidence of Funded Debt, (iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property 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 property), (iv) all current liabilities of such person represented by a note, bond, debenture or other evidence of Funded Debt, (v) all obligations under leases which have been or should be, in accordance with ASPE, recorded as capital leases in respect of which such person is liable as lessee, (vi) any Financial Assistance of such person or any obligation to provide Financial Assistance to any other person with respect to an obligation of such other person that constitutes Funded Debt under any of clauses (i) through (v) above;

“Governmental Entity” means any (i) multinational, federal, provincial, state, municipal, local or other government, governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

“Indemnified Person” has the meaning given to such term in Section 13(1).

“Leases” means the leases described in Schedule “C”.

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

“Lien” means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation.

“Loan Documents” means this letter agreement, the Right of First Refusal Agreement, the other documents listed in Schedule “A” and all other documents executed in connection with the Credit Facility and delivered to the Lender by the Obligors.

“Loan Parties” means the Borrower, Ignite Insurance and the Subsidiary Guarantors.

“Material Adverse Effect” means a material adverse effect on the business, operations, results of operations, assets, liabilities or financial condition of the Borrower as a whole.

“Material Agreements” means the agreements listed in Schedule “H” and any agreement, contract or similar instrument to which any Loan Party is a party or to which any Loan Party’s property or assets may be subject which is material to the business of a Loan Party.

“Obligors” means the Loan Parties, Ignite Holdings and Primary.

“Permitted Liens” means, in respect of any person, any one or more of the following:

- (a) Liens for taxes, assessments or governmental charges or levies which are not delinquent or the validity of which is being contested at the time by the person in good faith by proper legal proceedings if, in the Lender's opinion, adequate provision has been made for their payment;

- (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, provided that such Liens are related to obligations not due or delinquent are not registered against title to any assets of the person and in respect of which adequate holdbacks are being maintained as required by applicable law or such Liens 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 ASPE) in an adequate amount and provided further that such Liens do not, in the Lender's opinion reduce the value of the asset so affected or materially interfere with the use of such asset in the operation of the business of the person;
- (c) Easements, rights-of-way, servitudes, restrictions and similar rights in real property comprised in the assets of the person or interests therein granted or reserved to other persons, provided that such rights do not, in the Lender's opinion, reduce the value of the asset so affected or materially interfere with the use of such asset in the operation of the business of the person;
- (d) Title defects or irregularities which are of a minor nature and which, in the Lender's opinion, do not reduce the value of the asset so affected or materially interfere with its use in the operation of the business of the person;
- (e) 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;
- (f) Liens in favour of financiers or lessors of equipment and/or motor vehicle for which specific security over such equipment and/or motor vehicle has been granted, so long as the Liens specifically identify, as part of collateral description in filings made under personal property security legislation in applicable jurisdictions, the specific equipment and/or motor vehicle only that is subject to such Liens; and
- (g) Liens disclosed in Schedule "J" but only to the extent such Liens conform to their description in Schedule "J".

"person" means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

"Related Party" means in respect of any Obligor (i) a person which alone or in combination with others holds a sufficient number of securities or has contractual rights sufficient to affect materially the control of the Borrower, (ii) a person in respect of which a person referred to in clause (i) alone or in combination with others holds a sufficient number of securities or has contractual rights sufficient to affect materially its control, (iii) a person in respect of which the Obligor alone or

in combination with others holds a sufficient number of securities or has contractual rights sufficient to affect materially its control, (iv) a person who beneficially owns, directly or indirectly, voting securities of any Loan Party or who exercises control or direction over voting securities of any Loan Party or a combination of both carrying more than 10% of the voting rights attached to all voting securities of such Loan Party for the time being outstanding, (v) a director or senior officer of the Borrower, or related party of the Borrower, (vi) an affiliate of any of the foregoing, or (vii) any other person that is not at arm's length (as such term is defined in the *Income Tax Act* (Canada)) with any Obligor or any member of the family of any of its shareholders.

"Right of First Refusal Agreement" means the right of first refusal agreement dated the date hereof among the Lender, the Loan Parties and Ignite Holdings.

"Security" means, at any time, the security interest in favour of the Lender, in the assets and properties of the Obligors securing their obligations under this letter agreement and the Loan Documents.

"Subsidiary" shall have the meaning ascribed thereto in the *Securities Act* (Ontario) as amended.

"Subsidiary Guarantors" means wholly-owned Subsidiaries of any of the Borrower and the other Loan Parties from time to time that are required by the Lender to guarantee the obligations of the Borrower under this letter agreement and the other Loan Documents.

**SCHEDULE “C”
Leased Properties**

Borrower

Leased Properties:

<u>Address</u>	<u>Name of Landlord</u>
615 Kumpf Dr, Suite 500 Waterloo, ON N2V 1K8	2077457 Ontario Inc.

Ignite Insurance

Nil.

SCHEDULE "D"
Funded Debt

Borrower

1.Unsecured indebtedness owing by the Borrower to Primary.

Ignite Insurance

Nil

SCHEDULE "E"
Jurisdictions

Borrower and Ignite Insurance

Jurisdiction of Chief Executive Office:

Ontario

Registered offices/Agents:

Ontario

Jurisdictions of Account Debtors:

Canada

Jurisdictions of Location of Tangible Personal Property:

Ontario

**SCHEDULE “F”
Authorizations**

Borrower

RIBO License	P&C Insurance Distribution in Ontario	Annual	30-Sep-22
FSRA License	Life & Travel Distribution in Ontario	Annual	2-Sep-22
AIC License	P&C Insurance Distribution in Alberta	Annual	30-Jun-22

Ignite Insurance

Nil.

SCHEDULE "G"
Litigation

Borrower and Ignite Insurance

Nil.

SCHEDULE "H"
Material Agreements

Borrower

1. Aviva Insurance Company of Canada Broker Agreement
2. Zenith Insurance Company Broker Agreement
3. Wawanesa Mutual Broker Agreement
4. SGI Canada Broker Agreement

Ignite Insurance

Nil.

SCHEDULE "I"
Producer Service Agreements

Borrower

Nil

Ignite Insurance

Nil

SCHEDULE "J"
Permitted Liens

Borrower and Ignite Insurance

PPSA Registration Number (File Number)	Debtor	Secured Party	Collateral	Expiry Date
None	N/A	N/A	N/A	N/A

SCHEDULE "K"

Compliance Certificate

TO: Aviva Insurance Company of Canada (the "**Lender**")
 c/o Aviva Canada Inc.
 Attention: Corporate Development
 10 Aviva Way, Suite 100
 Markham, Ontario
 L6G 0G1

FROM: Ignite Services Inc. (the "**Borrower**")

The undersigned authorized officer (the "**Officer**") hereby certifies on behalf of the Borrower that in accordance with the terms and conditions of the Letter Agreement between the Borrower and the Lender dated November 15, 2021 (the "Agreement"), (i) the Borrower is in complete compliance for the period ending _____, 20__ with all required covenants except as noted below, (ii) all representations and warranties of the Borrower stated in the Agreement are true and correct in all material respects as of the date hereof except to the extent that prior to the date hereof the Borrower has advised the Lender in writing of a variation in any such representation or warranty which has been approved by the Lender, and (iii) that no Default or Event of Default has occurred and is continuing. Attached herewith are the required documents supporting the above certification. The Officer further certifies that these documents are prepared in accordance with ASPE and are consistently applied from one period to the next except as explained in an accompanying letter or footnotes.

Terms used but not defined herein shall have the meaning given to them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenant - circle as applicable	Required	Complies	
Annual Financial Statements provided to Lender pursuant to Section 10(A)(1) of the Agreement	FYE within 120 days	Yes	No
Compliance Certificate provided to Lender pursuant to Section 10(A)(2) of the Agreement	Quarterly within 60 days after Q1-Q3, and within 120 days after Q4	Yes	No

Business plan and/or financial forecast pursuant to Section 10(A)(4) of the Agreement	Start of Financial Year	Yes	No
	within 30 days		
Compensation and distributions are maintained in accordance with restrictions found in Section 10(B)(10) and Section 10(B)(11) of the Agreement		Yes	No
_____	_____	_____	_____
Financial Covenant	Required	Actual	Complies
_____	_____	_____	_____

No Funded Debt other than Funded Debt to the Lender under the Loan Documents and Funded Debt listed in Schedule "D"	No Funded Debt		
Non compliance through excess annual capital expenditures	<\$500,000	Yes	No

Signed and Confirmed this •, day of •, 20__

•
Chief Financial Officer and/or Authorized Signing Officer

SCHEDULE "L"
INTELLECTUAL PROPERTY

Borrower

1. AHA INSURANCE trademark, registration number TMA1016741.
2. AHA INSURANCE & Design trademark, registration number TMA1011122.

Ignite Insurance

Nil.

FIRST LOAN AMENDING AGREEMENT

THIS FIRST LOAN AMENDING AGREEMENT ("**Amending Agreement**") effective as of March 21, 2022 is between Ignite Services Inc. (the "**Borrower**") and Aviva Insurance Company of Canada (the "**Lender**").

RECITALS:

- A. A letter loan agreement dated November 15, 2021 was entered into between the Borrower and the Lender (the "**Principal Loan Agreement**");
- B. Pursuant to the Principal Loan Agreement, the Lender made available to the Borrower a Credit Facility in the amount of \$3,000,000;
- C. The Borrower has requested, and the Lender has agreed, to provide an additional loan advance in the amount of up to \$2,500,000 to the Borrower to support its marketing initiatives (the "**Modification**");
- D. The Borrower and the Lender wish to amend the provisions of the Principal Loan Agreement pursuant to this Amending Agreement to put the Modification into effect. The Principal Loan Agreement, as amended by this Amending Agreement, and the same as may be further amended, supplemented or restated at any time and from time to time, is hereinafter referred to as the "**Loan Agreement**";

THEREFORE, in consideration of the mutual covenants and undertakings contained herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged by each party, the parties hereto have agreed as follows:

1. Interpretation.

- 1.1 This Amending Agreement is declared to be supplemental to the Principal Loan Agreement and is to form part thereof and shall have the same effect as though incorporated in the Principal Loan Agreement. All provisions of the Principal Loan Agreement, except only insofar as may be inconsistent with the express provisions contained in this Amending Agreement, shall apply to and have effect in connection with this Amending Agreement.
- 1.2 Unless otherwise defined or unless there is something in the subject matter or the context inconsistent therewith, all capitalized words and expressions used herein or in any deed, document or agreement supplemental or ancillary hereto, shall have the meanings ascribed to them in the Principal Loan Agreement.
- 1.3 The division of this Amending Agreement into Sections and the insertion of titles are for convenient of reference only and do not affect the meaning or the interpretation of this Amending Agreement.

2. Amendments.

2.1 As of the date of this Amending Agreement, the Principal Loan Agreement is hereby amended in accordance with the provisions below.

2.2 The reference to "Re: Credit Facility in the Amount of \$3,000,000" at the beginning of the Principal Loan Agreement is deleted in its entirety and replaced with the following:

"Re: Credit Facility in the Amount of up to \$5,500,000"

2.3 The opening paragraph of the Principal Loan Agreement is deleted in its entirety and replaced with the following:

"We are pleased to confirm that Aviva Insurance Company of Canada (together with its successors and assigns, the "**Lender**") is prepared to make a credit facility in the aggregate amount of \$5,500,000 (the "**Credit Facility**") available to Ignite Services Inc. (together with its successors and assigns, the "**Borrower**") in accordance with the terms and conditions and subject to the giving of security as set forth below. The Credit Facility is available to the Borrower in two (2) tranches. The first tranche, in the amount of \$3,000,000 was advanced by the Lender to the Borrower on the date of this letter agreement (the "**First Tranche**"). The second tranche, in the amount of \$2,500,000 is to be advanced by the Lender to the Borrower on or about March 21, 2022 or such other date as may be mutually agreed by the Lender and the Borrower (the "**Second Tranche**"). Capitalized terms used herein shall have the meanings given to them in Schedule "B"."

2.4 Section 2 of the Principal Loan Agreement is deleted in its entirety and replaced with the following:

"The First Tranche will be applied by the Borrower solely for working capital purposes to support its liquidity growth initiatives. The Second Tranche will be applied by the Borrower to support its marketing initiatives. The Credit Facility will be repaid as provided in this letter agreement."

2.5 Section 3 of the Principal Loan Agreement is deleted in its entirety and replaced with the following:

"The principal amount of the Credit Facility shall be advanced as two (2) separate single installments. The Credit Facility does not revolve and any amount repaid or prepaid, as the case may be, cannot be reborrowed and reduces the amount outstanding by the amount repaid or prepaid, as the case may be.

Immediately upon the advance of the Second Tranche, the total balance under the Credit Facility owing by the Borrower to the Lender is \$5,500,000, excluding any interest accrued and unpaid.

The term of the Credit Facility shall be three (3) years from the date of the advance of the First Tranche to the Borrower (the "**Loan Term**"). Interest shall be accrued monthly on the amounts outstanding under the Credit Facility at a rate of 12% per annum (the "**Base Rate**").

No regularly scheduled repayment on account of principal or interest of the Credit Facility is required during the Loan Term (and for the avoidance of doubt, any accrued monthly interest which is not paid shall not be compounded or capitalized during the Loan Term). Upon expiry of the Loan Term, any and all amounts (including interest) remaining outstanding from the Borrower to the Lender under the Credit Facility shall become immediately due and payable."

- 2.6 Section 2 of Schedule "A" (Loan Documents) of the Principal Loan Agreement is deleted in its entirety and replaced with the following:

"Primary shall guarantee on an unsecured basis, up to the amount of \$7,000,000, the obligations of the Borrower under this letter agreement."

- 2.7 The following definitions are added to Schedule "B" (Definitions) of the Principal Loan Agreement:

" "**Base Rate**" has the meaning given to it in the third paragraph of Section 3.

"**First Tranche**" has the meaning given to it in the opening paragraph of the Principal Loan Agreement.

"**Second Tranche**" has the meaning given to it in the opening paragraph of the Principal Loan Agreement."

3. Representations and Warranties.

- 3.1 As at the date of this Amending Agreement, the Borrower represents and warrants to the Lender that all of the representations and warranties of the Borrower contained in the Loan Agreement and in any other Loan Document are true and correct on the date hereof, and the Borrower has complied with all covenants on its part to be performed in the Loan Agreement and the other Loan Documents.

4. Miscellaneous.

- 4.1 This Amending Agreement shall be governed by and its provisions construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 4.2 This Amending Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument, and each party may deliver such executed counterparts electronically, or by facsimile.

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement effective as of the date first mentioned above.

IGNITE SERVICES INC.

By:



Name: Stephen D. Livingstone

Title: President

AVIVA INSURANCE COMPANY OF
CANADA

By:

DocuSigned by:



Name: Meghan Kurts

Title: Authorized Signatory

SECOND LOAN AMENDING AGREEMENT

THIS SECOND LOAN AMENDING AGREEMENT ("**Amending Agreement**") effective as of November 16, 2022 is between Ignite Services Inc. (the "**Borrower**") and Aviva Insurance Company of Canada (the "**Lender**").

RECITALS:

- A. A letter loan agreement dated November 15, 2021 was entered into between the Borrower and the Lender, as amended by a first loan amending agreement dated March 21, 2022 (together, the "**Principal Loan Agreement**");
- B. Pursuant to the Principal Loan Agreement, the Lender made available to the Borrower a Credit Facility in the amount of \$5,500,000;
- C. The Borrower has requested, and the Lender has agreed, to provide an additional loan advance in the amount of up to \$440,000 to the Borrower to support its marketing initiatives (the "**Modification**");
- D. The Borrower and the Lender wish to amend the provisions of the Principal Loan Agreement pursuant to this Amending Agreement to put the Modification into effect. The Principal Loan Agreement, as amended by this Amending Agreement, and the same as may be further amended, supplemented or restated at any time and from time to time, is hereinafter referred to as the "**Loan Agreement**";

THEREFORE, in consideration of the mutual covenants and undertakings contained herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged by each party, the parties hereto have agreed as follows:

1. Interpretation.

- 1.1 This Amending Agreement is declared to be supplemental to the Principal Loan Agreement and is to form part thereof and shall have the same effect as though incorporated in the Principal Loan Agreement. All provisions of the Principal Loan Agreement, except only insofar as may be inconsistent with the express provisions contained in this Amending Agreement, shall apply to and have effect in connection with this Amending Agreement.
- 1.2 Unless otherwise defined or unless there is something in the subject matter or the context inconsistent therewith, all capitalized words and expressions used herein or in any deed, document or agreement supplemental or ancillary hereto, shall have the meanings ascribed to them in the Principal Loan Agreement.
- 1.3 The division of this Amending Agreement into Sections and the insertion of titles are for convenient of reference only and do not affect the meaning or the interpretation of this Amending Agreement.

2. Amendments.

2.1 As of the date of this Amending Agreement, the Principal Loan Agreement is hereby amended in accordance with the provisions below.

2.2 The reference to "Re: Credit Facility in the Amount of \$5,500,000" at the beginning of the Principal Loan Agreement is deleted in its entirety and replaced with the following:

"Re: Credit Facility in the Amount of up to \$5,940,000"

2.3 The opening paragraph of the Principal Loan Agreement is deleted in its entirety and replaced with the following:

"We are pleased to confirm that Aviva Insurance Company of Canada (together with its successors and assigns, the "**Lender**") is prepared to make a credit facility in the aggregate amount of \$5,940,000 (the "**Credit Facility**") available to Ignite Services Inc. (together with its successors and assigns, the "**Borrower**") in accordance with the terms and conditions and subject to the giving of security as set forth below. The Credit Facility is available to the Borrower in three (3) tranches. The first tranche, in the amount of \$3,000,000 was advanced by the Lender to the Borrower on the date of this letter agreement (the "**First Tranche**"). The second tranche, in the amount of \$2,500,000 was advanced by the Lender to the Borrower on March 21, 2022 (the "**Second Tranche**"). The third tranche, in the amount of \$440,000 is to be advanced by the Lender to the Borrower on or about November 16, 2022 or such other date as may be mutually agreed by the Lender and the Borrower (the "**Third Tranche**"). Capitalized terms used herein shall have the meanings given to them in Schedule "B"."

2.4 Section 2 of the Principal Loan Agreement is deleted in its entirety and replaced with the following:

"The First Tranche will be applied by the Borrower solely for working capital purposes to support its liquidity growth initiatives. The Second Tranche will be applied by the Borrower to support its marketing initiatives. The Third Tranche will be applied by the Borrower to support additional marketing initiatives. The Credit Facility will be repaid as provided in this letter agreement."

2.5 Section 3 of the Principal Loan Agreement is deleted in its entirety and replaced with the following:

"The principal amount of the Credit Facility shall be advanced as three (3) separate single installments. The Credit Facility does not revolve and any amount repaid or prepaid, as the case may be, cannot be reborrowed and reduces the amount outstanding by the amount repaid or prepaid, as the case may be."

Immediately upon the advance of the Third Tranche, the total balance under the Credit Facility owing by the Borrower to the Lender is \$5,940,000, excluding any interest accrued and unpaid.

The term of the Credit Facility shall be three (3) years from the date of the advance of the First Tranche to the Borrower (the "**Loan Term**"). Interest shall be accrued monthly on the amounts outstanding under the Credit Facility at a rate of 12% per annum (the "**Base Rate**").

No regularly scheduled repayment on account of principal or interest of the Credit Facility is required during the Loan Term (and for the avoidance of doubt, any accrued monthly interest which is not paid shall not be compounded or capitalized during the Loan Term). Upon expiry of the Loan Term, any and all amounts (including interest) remaining outstanding from the Borrower to the Lender under the Credit Facility shall become immediately due and payable."

- 2.6 Section 2 of Schedule "A" (Loan Documents) of the Principal Loan Agreement is deleted in its entirety and replaced with the following:

"Primary shall guarantee on an unsecured basis, up to the amount of \$8,000,000, the obligations of the Borrower under this letter agreement."

- 2.7 The following definitions are added to Schedule "B" (Definitions) of the Principal Loan Agreement:

"**Base Rate**" has the meaning given to it in the third paragraph of Section 3.

"**First Tranche**" has the meaning given to it in the opening paragraph of the Principal Loan Agreement.

"**Second Tranche**" has the meaning given to it in the opening paragraph of the Principal Loan Agreement."

"**Third Tranche**" has the meaning given to it in the opening paragraph of the Principal Loan Agreement."

3. Representations and Warranties.

- 3.1 As at the date of this Amending Agreement, the Borrower represents and warrants to the Lender that all of the representations and warranties of the Borrower contained in the Loan Agreement and in any other Loan Document are true and correct on the date hereof, and the Borrower has complied with all covenants on its part to be performed in the Loan Agreement and the other Loan Documents.

4. Miscellaneous.

- 4.1 This Amending Agreement shall be governed by and its provisions construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 4.2 This Amending Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument, and each party may deliver such executed counterparts electronically, or by facsimile.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement effective as of the date first mentioned above.

IGNITE SERVICES INC.

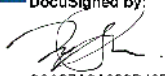
By:

Name: Stephen D. Livingstone

Title:

**AVIVA INSURANCE COMPANY OF
CANADA**

By:

DocuSigned by:


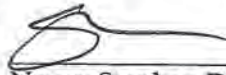
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Name: Melissa Sopko

Title: Authorized Signatory

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement effective as of the date first mentioned above.

IGNITE SERVICES INC.

By:



Name: Stephen D. Livingstone

Title: *President*

**AVIVA INSURANCE COMPANY OF
CANADA**

By:

Name:

Title: Authorized Signatory

EXHIBIT "I"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:

Rania Hammad

3CCD228759524E3...

Commissioner for Taking Affidavits

PRIMARY GROUP LIMITED

as Guarantor

and

AVIVA INSURANCE COMPANY OF CANADA

as Secured Party

GUARANTEE

November 15, 2021

GUARANTEE

Guarantee dated as of November 15, 2021 made to and in favour of Aviva Insurance Company of Canada by Primary Group Limited.

RECITALS:

- (a) The Secured Party has agreed to make a certain credit facility available to the Borrower on the terms and conditions contained in the Letter Agreement;
- (b) It is a condition precedent to the extension of credit to the Borrower under the Letter Agreement that the Guarantor executes and delivers this Guarantee; and
- (c) The Guarantor considers it in its best interest to provide this Guarantee.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Guarantor agrees as follows.

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

As used in this Guarantee the following terms have the following meanings:

"Borrower" means Ignite Services Inc., a corporation incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

"Guarantee" means this guarantee, as amended, modified, replaced, restated or supplemented from time to time.

"Guarantor" means Primary Group Limited, a company incorporated and existing under the laws of Bermuda, and its successors and permitted assigns.

"Letter Agreement" means the letter agreement dated as of the date hereof between the Borrower and the Secured Party, as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending the maturity of, refinancing or restructuring all or any portion of, the indebtedness under

such agreement or any successor agreements, whether or not with the same Secured Party.

"Loan Documents" means the Letter Agreement, this Guarantee and each other Loan Document (as such term is defined in the Letter Agreement).

"Loan Parties" means the Borrower, the Guarantor and any other person that, from time to time, provides credit support for the Obligations.

"Obligations" means (i) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, at any time or from time to time due or accruing due and owing by or otherwise payable by the Borrower to the Secured Party, in any currency, however or wherever incurred, and whether incurred by the Borrower alone or jointly with another or others and whether as principal, guarantor or surety, and (ii) the due performance and compliance by the Borrower with all of the terms and conditions of the Letter Agreement and the other Loan Documents, as such debts, liabilities and obligations may be varied from time to time as contemplated by Section 3.7, up to a maximum amount of CAD \$4,200,000.

"Secured Party" means Aviva Insurance Company of Canada and its successors and assigns.

Section 1.2 Interpretation.

- (1) Capitalized terms used in this Guarantee but not defined have the meanings given to them in the Letter Agreement.
- (2) In this Guarantee the words **"including"**, **"includes"** and **"include"** mean **"including (or includes or include) without limitation"**. 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"**. The expression **"Article"**, **"Section"** or other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Guarantee.
- (3) Any reference in this Guarantee to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (4) The division of this Guarantee into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and are not to affect its interpretation.
- (5) The schedules attached to this Guarantee form an integral part of it for all purposes of it.

- (6) Any reference to this Guarantee or any Loan Document refers to this Guarantee or such Loan Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules to it. Except as otherwise provided in this Guarantee, any reference in this Guarantee 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 or re-enacted.
- (7) All references in this Guarantee to dollars, unless otherwise specifically indicated, are expressed in Canadian currency.

ARTICLE 2 GUARANTEE

Section 2.1 Guarantee.

The Guarantor irrevocably and unconditionally guarantees to the Secured Party the due and punctual payment, and the due performance, whether at stated maturity, by acceleration or otherwise, of the Obligations. The Guarantor agrees that the Obligations will be paid to the Secured Party strictly in accordance with their terms and conditions.

Section 2.2 Indemnity.

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Secured Party from and against all losses resulting from the failure of the Borrower to duly perform such Obligations.

Section 2.3 Primary Obligation

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 or the Secured Party is not indemnified under Section 2.2, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.

Section 2.4 Absolute Liability.

The Guarantor agrees that the liability of the Guarantor under Section 2.1 and Section 2.3 and, for greater certainty, under Section 2.2, is absolute and unconditional irrespective of:

- (a) the lack of validity or enforceability of any terms of any of the Loan Documents;

- (b) any contest by the Borrower or any other person as to the amount of the Obligations, the validity or enforceability of any terms of the Loan Documents or the perfection or priority of any security granted to the Secured Party;
- (c) any defence, counter claim or right of set-off available to the Borrower;
- (d) any release, compounding or other variance of the liability of the Borrower or any other person liable in any manner under or in respect of the Obligations or the extinguishment of all or any part of the Obligations by operation of law;
- (e) any change in the time or times for, or place or manner or terms of payment or performance of the Obligations or any consent, waiver, renewal, alteration, extension, compromise, arrangement, concession, release, discharge or other indulgences which the Secured Party may grant to the Borrower or any other person;
- (f) any amendment or supplement to, or alteration or renewal of, or restatement, replacement, refinancing or modification or variation of (including any increase in the amounts available thereunder or the inclusion of an additional borrower thereunder), or other action or inaction under, the Letter Agreement, the other Loan Documents or any other related document or instrument, or the Obligations;
- (g) any discontinuance, termination, reduction, renewal, increase, abstention from renewing or other variation of any credit or credit facilities to, or the terms or conditions of any transaction with, the Borrower or any other person;
- (h) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of the Borrower, the Guarantor or any other Loan Party or any reorganization (whether by way of reconstruction, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of the Borrower, the Guarantor or any other Loan Party or their respective businesses;
- (i) any dealings with the security which the Secured Party holds or may hold pursuant to the terms and conditions of the Loan Documents, including the taking, giving up or exchange of securities, their variation or realization, the accepting of compositions and the granting of releases and discharges;
- (j) any limitation of status or power, disability, incapacity or other circumstance relating to the Borrower, the Guarantor, any other Loan

Party or any other person, including any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, winding-up or other like proceeding involving or affecting the Borrower, the Guarantor, any other Loan Party or any other person or any action taken with respect to this Guarantee by any trustee or receiver, or by any court, in any such proceeding, whether or not the Guarantor shall have notice or knowledge of any of the foregoing;

- (k) the assignment of all or any part of the benefits of this Guarantee;
- (l) any impossibility, impracticability, frustration of purpose, force majeure or illegality of any Loan Document, or the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction or by any present or future action of (i) any governmental entity that amends, varies, reduces or otherwise affects, or purports to amend, vary, reduce or otherwise affect, any of the Obligations or the obligations of the Guarantor under this Guarantee, or (ii) any court order that amends, varies, reduces or otherwise affects any of the Obligations;
- (m) any taking or failure to take security, any loss of, or loss of value of, any security, or any invalidity, non-perfection or unenforceability of any security held by the Secured Party, or any exercise or enforcement of, or failure to exercise or enforce, security, or irregularity or defect in the manner or procedure by which the Secured Party realizes on such security;
- (n) any application of any sums received to the Obligations, or any part thereof, and any change in such application; and
- (o) any other circumstances which might otherwise constitute a defence available to, or a discharge of, the Guarantor, the Borrower or any other person in respect of the Obligations or this Guarantee.

Section 2.5 Limited Recourse.

Notwithstanding anything in this Guarantee to the contrary, the liability of the Guarantor under this Guarantee is limited to the amount of CAD \$4,200,000.

ARTICLE 3 ENFORCEMENT

Section 3.1 Remedies.

The Secured Party is not bound to exhaust its recourse against the Borrower or any other person or realize on any security it may hold in respect of the Obligations before being entitled to (i) enforce payment and performance under this Guarantee or (ii) pursue any other remedy against the Guarantor, and the Guarantor renounces all benefits of discussion and division.

Section 3.2 Amount of Obligations.

Any account settled or stated by or between the Secured Party and the Borrower, or if any such account has not been settled or stated immediately before demand for payment under this Guarantee, any account stated by the Secured Party shall, in the absence of manifest mathematical error, be accepted by the Guarantor as conclusive evidence of the amount of the Obligations which is due by the Borrower to the Secured Party or remains unpaid by the Borrower to the Secured Party.

Section 3.3 Payment on Demand.

The Guarantor will pay and perform the Obligations and pay all other amounts payable by it to the Secured Party under this Guarantee, and the obligation to do so arises, immediately after demand for such payment or performance is made in writing to it following an Event of Default. The liability of the Guarantor bears interest from the date of such demand at the rate or rates of interest then applicable to the Obligations under and calculated in the manner provided in the Loan Documents (including any adjustment to give effect to the provisions of the *Interest Act* (Canada)).

Section 3.4 Costs and Expenses.

The Guarantor is liable for and will pay on demand by the Secured Party any and all reasonable expenses, costs and charges incurred by or on behalf of the Secured Party in connection with this Guarantee, including all reasonable legal fees, courts costs, receivers or agent's remuneration and other expenses in connection with enforcing any of their rights under this Guarantee.

Section 3.5 Assignment and Postponement.

- (1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever and all security therefor (the "**Intercorporate Indebtedness**") are assigned and transferred to the Secured Party as continuing and collateral security for the Guarantor's obligations under this Guarantee and postponed to the payment in full of all Obligations. Until the occurrence of an Event of Default that is continuing the Guarantor may receive payments in respect of the Intercorporate Indebtedness as permitted

under the Letter Agreement. The Guarantor will not assign all or any part of the Intercompany Indebtedness to any person other than the Secured Party.

- (2) Upon the occurrence and during the continuation of an Event of Default, all Intercompany Indebtedness will be held in trust for the Secured Party and will be collected, enforced or proved subject to, and for the purpose of, this Guarantee. In such event, any payments received by the Guarantor in respect of the Intercompany Indebtedness will be held in trust for the Secured Party and segregated from other funds and property held by the Guarantor and immediately paid to the Secured Party on account of the Obligations.
- (3) The Intercompany Indebtedness shall not be released or withdrawn by the Guarantor without the prior written consent of the Secured Party. The Guarantor will not allow a limitation period to expire on the Intercompany Indebtedness or ask for or obtain any security or negotiable paper for, or other evidence of, the Intercompany Indebtedness except for the purpose of delivering the same to the Secured Party.
- (4) In the event of any insolvency, bankruptcy or other proceeding involving the liquidation, arrangement, compromise, reorganization or other relief with respect to the Borrower or its debts, the Guarantor will, upon the request of the Secured Party, make and present a proof of claim or commence such other proceedings against the Borrower on account of the Intercompany Indebtedness as may be reasonably necessary to establish the Guarantor's entitlement to payment of any Intercompany Indebtedness. Such proof of claim or other proceeding must be made or commenced prior to the earlier of (i) the day which is thirty (30) days after notice requesting such action is delivered by or on behalf of the Secured Party to the Guarantor and (ii) the day which is ten (10) days preceding the date when such proof of claim or other proceeding is required by applicable law to be made or commenced. Such proof of claim or other proceeding must be in form and substance acceptable to the Secured Party.
- (5) If the Guarantor fails to make and file such proof of claim or commence such other proceeding in accordance with this Section, the Secured Party is irrevocably authorized, empowered and directed and appointed the true and lawful attorney of the Guarantor (but is not obliged) with the power to exercise for and on behalf of the Guarantor the following rights, upon the occurrence and during the continuance of an Event of Default: (i) to make and present for and on behalf of the Guarantor proofs of claims or other such proceedings against the Borrower on account of the Intercompany Indebtedness, (ii) to demand, sue for, receive and collect any and all dividends or other payments or disbursements made in respect of the Intercompany Indebtedness in whatever form the same may be paid or

issued and to apply the same on account of the Obligations, and (iii) to demand, sue for, collect and receive each such payment and distribution and give acquittance therefor and to file claims and take such other actions, in its own name or in the name of the Guarantor or otherwise, as the Secured Party may deem necessary or advisable to enforce its rights under this Guarantee.

- (6) The Guarantor will execute all subordinations, postponements, assignments and other agreements as the Secured Party may reasonably request to more effectively subordinate and postpone the Intercompany Indebtedness to the payment and performance of the Obligations.
- (7) The provisions of this Section 3.5 survive the termination of this Guarantee and remain in full force and effect until (i) the Obligations and all other amounts owing under the Loan Documents are repaid in full; and (ii) the Secured Party has no further obligations under any of the Loan Documents.

Section 3.6 Suspension of Guarantor Rights.

So long as there are any Obligations, the Guarantor will not exercise any rights which it may at any time have by reason of the performance of any of its obligations under this Guarantee (i) to be indemnified by the Borrower, (ii) to claim contribution from any other guarantor of the debts, liabilities or obligations of the Borrower, or (iii) subject to Section 3.8, to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Party under any of the Loan Documents.

Section 3.7 No Prejudice to Secured Party.

The Secured Party is not prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower or the Secured Party. The Secured Party may, at any time and from time to time, in such manner it determines is expedient, without any consent of, or notice to, the Guarantor and without impairing or releasing the obligations of the Guarantor (i) change the manner, place, time or terms of payment or performance of the Obligations, (ii) renew or alter the Obligations, (iii) amend, vary, modify, supplement or replace any Loan Document or any other related document or instrument, (iv) discontinue, reduce, renew, increase, abstain from renewing or otherwise vary any credit or credit facilities to, any transaction with, the Borrower or any other person, (v) release, compound or vary the liability of the Borrower or any other person liable in any manner under or in respect of the Obligations, (vi) take or abstain from taking securities or collateral from any other person, or from perfecting securities or collateral of any other person, (vii) exercise or enforce or refrain from exercising or enforcing any right or security against the Borrower, the Guarantor or any other person, (viii) accept compromises or arrangement from any person, (ix) apply any sums from time to time received to the Obligations, or any part thereof,

and change any such application in whole or in part from time to time, and (x) otherwise deal with, or waiver or modify their right to deal with, any person and security. In their dealings with the Borrower, the Secured Party need not enquire into the authority or power of any person purporting to act for or on behalf of the Borrower.

Section 3.8 No Subrogation

The Guarantor irrevocably waives any claim, remedy or other right which it may now have or hereafter acquire against the Borrower that arises from the existence, payment, performance or enforcement of the Guarantor's obligations under this Guarantee, including any right of subrogation, reimbursement, exoneration, indemnification or any right to participate in any claim or remedy of the Secured Party against the Borrower or any collateral which the Secured Party now has or hereafter acquires, whether or not such claim, remedy or other right is reduced to judgment or is liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, and whether or not such claim, remedy or other right arises in equity or under contract, statute or common law. The Guarantor further agrees that the Borrower is an intended third party beneficiary of the Guarantor's waiver contained in this Section 3.8. If any amount is paid to the Guarantor in violation of this Section and, at such time, the Secured Party's claims against the Borrower in respect of the Obligations have not been paid in full, any amount paid to the Guarantor is deemed to have been paid to the Guarantor for the benefit of, and held in trust for the Secured Party and will immediately be paid to the Secured Party to be credited and applied to such Obligations. The Guarantor acknowledges that it will receive direct and indirect benefits from the transactions contemplated by this Guarantee and that the waiver in this Section 3.8 is knowingly made in contemplation of such benefits.

Section 3.9 No Set-off.

To the fullest extent permitted by law, the Guarantor makes all payments under this Guarantee without regard to any defence, counter-claim or right of set-off available to it.

Section 3.10 Successors of the Borrower.

This Guarantee will not be revoked by any change in the constitution of the Borrower. This Guarantee extends to any person, firm or corporation acquiring, or from time to time carrying on, the business of the Borrower.

Section 3.11 Continuing Guarantee and Continuing Obligations.

The obligation of the Guarantor under Section 2.1 is a continuing guarantee, and the obligations of the Guarantor under Section 2.2 and Section 2.3 are continuing obligations. Each of Section 2.1, Section 2.2 and Section 2.3 extends to all present and future Obligations, applies to and secures the ultimate balance of the

Obligations due or remaining due to the Secured Party and is binding as a continuing obligation of the Guarantor until the Secured Party releases the Guarantor. This Guarantee will continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Secured Party upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though the payment had not been made.

Section 3.12 Supplemental Security.

This Guarantee is in addition and without prejudice to and supplemental to all other guarantees, indemnities, obligations and security now held or which may hereafter be held by the Secured Party.

Section 3.13 Security for Guarantee.

The Guarantor acknowledges that this Guarantee is intended to secure payment and performance of the Obligations.

Section 3.14 Right of Set-off.

Upon the occurrence and during the continuance of any Event of Default, the Secured Party is authorized by the Guarantor at any time and from time to time and may, to the fullest extent permitted by law, set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Secured Party to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing irrespective of whether or not (i) the Secured Party has made any demand under this Guarantee, or (ii) any of the obligations comprising the Obligations are contingent or unmatured. The rights of the Secured Party under this Section 3.14 are in addition and without prejudice to and supplemental to other rights and remedies which the Secured Party may have.

Section 3.15 Interest Act (Canada).

The Guarantor acknowledges that certain of the rates of interest applicable to the Obligations may be computed on the basis of a year of three hundred and sixty-five (365) days or three hundred and sixty-six (366) days, as the case may be and paid for the actual number of days elapsed. For purposes of the *Interest Act* (Canada), whenever any interest is calculated using a rate based on a year of three hundred and sixty-five (365) days or three hundred and sixty-six (366) days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to (i) the applicable rate based on a year of three hundred and sixty-five (365) days or (366) days, as the case may be, (ii) multiplied by the actual number of days in the calendar year in which the period for such interest is payable (or compounded) ends, and (iii) divided by three hundred and sixty-five (365) or three hundred and sixty-six (366), as the case may be.

ARTICLE 4 REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.1 Representations and Warranties.

The Guarantor represents and warrants, acknowledging and confirming that that the Secured Party is relying on such representations and warranties in connection with the acceptance of this Guarantee, that:

- (a) **Incorporation and Qualification.** The Guarantor is a company incorporated and existing under the laws of Bermuda.
- (b) **Corporate Power.** The Guarantor has the corporate power to (i) own, lease and operate its properties and assets and carry on its business as now being conducted by it, and (ii) enter into and perform its obligations under this Guarantee.
- (c) **Conflict With Other Instruments.** The execution and delivery by the Guarantor and the performance by the Guarantor of its obligations under, and compliance with the terms, conditions and provisions of, this Guarantee will not (a) conflict with or result in a breach of any of the terms and conditions of (i) its constating documents or by laws or any applicable unanimous shareholders agreement, (ii) any applicable law, rule or regulation, (iii) any contractual restriction binding on or affecting it or its properties, including without limitation any agreement with respect to Funded Debt, or (iv) any judgment, injunction, determination or award which is binding on it, or (b) result in, require or permit the imposition of any encumbrance in, on or with respect to any of its assets or property (except in favour of the Secured Party).
- (d) **Corporate Action, Governmental Approvals, etc.** The execution and delivery of this Guarantee and the performance by the Guarantor of its obligations under this Guarantee have been duly authorized by all necessary corporate action including, without limitation, the obtaining of all necessary shareholder consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Entity or other person is necessary in connection with the execution, delivery and performance of obligations under this Guarantee except as are in full force and effect, unamended, at the date of this Guarantee.
- (e) **Execution and Binding Obligation.** This Guarantee has been duly executed and delivered by the Guarantor and constitutes a legal, valid and binding agreement of it enforceable against it in accordance with

its terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies.

- (f) **Intercorporate Indebtedness.** The Intercorporate Indebtedness is unsecured.

Section 4.2 Covenants.

Until the Obligations and all other amounts owing under this Guarantee are paid or repaid in full, the Obligations are performed in full and the Secured Party has no obligations under the Loan Documents, the Guarantor covenants and agrees that it will take, or will refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in the Letter Agreement, and so that no Default or Event of Default, is caused by the actions of the Guarantor or any of its Subsidiaries.

ARTICLE 5 GENERAL

Section 5.1 Notices, etc.

Any notice, direction or other communication required or permitted to be given under this Guarantee shall be in writing and given by delivering it or sending it by facsimile, email or other similar form of recorded or electronic communication addressed:

- (i) if to the Guarantor, to it at:

Victoria Place, 5th Floor, 31 Victoria Street
Hamilton HM10 Bermuda
Attention: Susan Smith
Telephone: 441-294-8058

(ii) if to the Secured Party by email, to it at:

Email: generalcounsel.ca@aviva.com

if to the Secured Party other than by email, to it at:

10 Aviva Way, Suite 100
Markham, ON L6G 0G1

Attention: Chief Financial Officer
Telephone: 365-873-5966

With a copy to the same address:

Attention: General Counsel and Chief Legal Officer
Telephone: 365-873-5038

Any communication shall be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), (ii) if transmitted by facsimile, email or similar means of recorded or electronic communication on the Business Day following the date of transmission. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.

Section 5.2 No Merger, Survival of Representations and Warranties.

The representations, warranties and covenants of the Guarantor in this Guarantee survive the execution and delivery of this Guarantee and each advance under the Letter Agreement. Notwithstanding any investigation made by or on behalf of the Secured Party, the representations, warranties and covenants in this Guarantee continue in full force and effect.

Section 5.3 Further Assurances.

- (1) The Guarantor will do all acts and things and execute and deliver, or cause to be executed and delivered, all documents and instruments that the Secured Party may request to give full effect to this Guarantee and to perfect and preserve the rights and powers of the Secured Party under this Guarantee, including any acknowledgements and confirmations of this Guarantee, and any other Loan Documents to which the Guarantor is a party.
- (2) The Guarantor acknowledges and confirms that the Guarantor itself has established its own adequate means of obtaining from the Borrower on a continuing basis all information desired by the Guarantor concerning the financial condition of the Borrower and that the Guarantor will look to the

Borrower and not to the Secured Party, in order to keep adequately informed of changes in the Borrower's financial condition.

Section 5.4 Successors and Assigns.

This Guarantee is binding upon the Guarantor, its successors and permitted assigns, and enures to the benefit of the Secured Party and its successors and assigns. This Guarantee may be assigned by the Secured Party without the consent of, or notice to, the Guarantor, to such person as the Secured Party may determine and, in such event, such person will be entitled to all of the rights and remedies of the Secured Party as set forth in this Guarantee or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Guarantor shall not assert against the assignee any claim or defence which the Guarantor now has or may have against the Secured Party. The Guarantor may not assign, transfer or delegate any of its rights or obligations under this Guarantee without the prior written consent of the Secured Party which may be unreasonably withheld.

Section 5.5 Amendment.

This Guarantee may only be amended, supplemented or otherwise modified by written agreement executed by the Secured Party and the Guarantor affected by such amendment, supplement or modification.

Section 5.6 Waivers, etc.

- (1) No consent or waiver by the Secured Party in respect of this Guarantee is binding unless made in writing and signed by an authorized officer of the Secured Party. Any consent or waiver given under this Guarantee is effective only in the specific instance and for the specific purpose for which it is given. No waiver of any of the provisions of this Guarantee constitutes a waiver of any other provision.
- (2) A failure or delay on the part of the Secured Party in exercising a right under this Guarantee does not operate as a waiver of, or impair, any right of the Secured Party however arising. A single or partial exercise of a right on the part of the Secured Party does not preclude any other or further exercise of that right or the exercise of any other right by the Secured Party.

Section 5.7 Severability.

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

Section 5.8 Application of Proceeds.

All monies collected by the Secured Party under this Guarantee will be applied as provided in the Letter Agreement. To the extent any other Loan Document requires proceeds of collateral under such Loan Document to be applied in accordance with the provisions of this Guarantee, the Secured Party or holder under such other Loan Document shall apply such proceeds in accordance with this Section.

Section 5.9 Governing Law.

This Guarantee will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

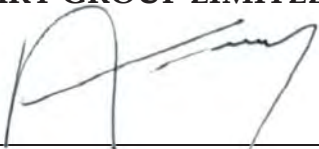
Section 5.10 Electronic Execution.

The Guarantor may deliver electronically, or by facsimile an executed copy of this Guarantee and such electronic or facsimile copy shall be deemed to be an original.

IN WITNESS WHEREOF the Guarantor has executed this Guarantee.

PRIMARY GROUP LIMITED

By:



Name: Alastair Murray

Title: Director

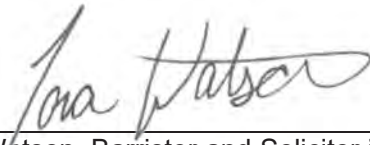
CERTIFICATE AS TO THE GUARANTEE AMENDMENT

TO: AVIVA INSURANCE COMPANY OF CANADA

Reference is made to the amendment and acknowledgement and confirmation dated March 21, 2022 (the "**Guarantee Amendment**"), amending the guarantee dated November 15, 2021 made by Primary Group Limited in favour of Aviva Insurance Company of Canada.

I, Tara Watson, certify that annexed hereto, forming part hereof and marked as Exhibit "A", is a true and complete copy of the Guarantee Amendment.

DATED March 21, 2022.

A handwritten signature in black ink, appearing to read 'Tara Watson', is written over a horizontal line.

Tara Watson, Barrister and Solicitor in and for
the Provinces of Ontario and British Columbia

EXHIBIT "A"
GUARANTEE AMENDMENT

See attached.

**FIRST AMENDMENT TO GUARANTEE AND ACKNOWLEDGEMENT AND
CONFIRMATION OF GUARANTEE BY GUARANTOR
("Acknowledgement and Confirmation and Amendment")**

RECITALS:

- (a) Aviva Insurance Company of Canada (the "**Lender**") has made a credit facility available to Ignite Services Inc. (the "**Borrower**") upon the terms and conditions contained in a letter loan agreement dated November 15, 2021 between the Lender and the Borrower (the "**Principal Loan Agreement**");
- (b) As a condition of the extension of credit under the Principal Loan Agreement, Primary Group Limited (the "**Guarantor**") guaranteed the obligations of the Borrower to the Lender pursuant to a guarantee dated November 15, 2021 (the "**Original Guarantee**"). The Original Guarantee, as amended by this Acknowledgement and Confirmation and Amendment, and the same as may be further amended, supplemented or restated at any time and from time to time, is hereinafter referred to as the "**Guarantee**";
- (c) Effective as of the date hereof, the Lender and the Borrower have agreed to make certain amendments to the terms of the Principal Loan Agreement to provide an additional loan advance in the amount of up to \$2,500,000 to the Borrower pursuant to a first loan amending agreement between the Lender and the Borrower dated as of the date hereof (the "**Amending Agreement**", and together with the Principal Loan Agreement and as it may be further amended, restated, supplemented or amended and restated at any time and from time to time, the "**Loan Agreement**");
- (d) In connection with the Amending Agreement, (a) the Guarantor and Lender wish to amend the provisions of the Original Guarantee pursuant to this Acknowledgement and Confirmation and Amendment; and (b) the Guarantor wishes to confirm that it is bound by the Loan Documents to which it is a party.

THEREFORE, in consideration of the mutual covenants and undertakings contained herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged by each party, the parties hereto have agreed as follows:

- 1. The provisions in this Section 1 are declared to be supplemental to the Original Guarantee and are to form part thereof and shall have the same effect as though incorporated in the Original Guarantee. As of the date of this Acknowledgement and Confirmation and Amendment, the Original Guarantee is hereby amended in accordance with the provisions below.
- 1.1. The term "Obligations" in Section 1.1 of the Original Guarantee is deleted in its entirety and replaced with the following:

“ **“Obligations”** means (i) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, at any time or from time to time due or accruing due and owing by or otherwise payable by the Borrower to the Secured Party, in any currency, however or wherever incurred, and whether incurred by the Borrower alone or jointly with another or others and whether as principal, guarantor or surety, and (ii) the due performance and compliance by the Borrower with all of the terms and conditions of the Letter Agreement and the other Loan Documents, as such debts, liabilities and obligations may be varied from time to time as contemplated by Section 3.7, up to a maximum amount of CAD \$7,000,000.”

- 1.2. Section 2.5 of the Original Guarantee is deleted in its entirety and replaced with the following:

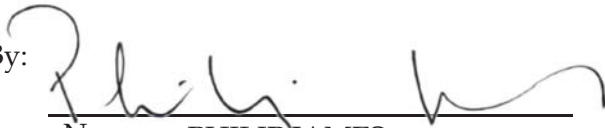
“Notwithstanding anything in this Guarantee to the contrary, the liability of the Guarantor under this Guarantee is limited to the amount of CAD \$7,000,000.”

2. The Guarantor acknowledges, confirms and agrees that the Obligations (as defined in the Guarantee) include all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, at any time or from time to time due or accruing due and owing by or otherwise payable by the Borrower to the Lender under the Loan Agreement and each other Loan Document to which the Borrower is a party.
3. The Guarantor acknowledges, confirms and agrees that the Guarantee remains in full force and effect, unamended except as contemplated herein and continues to secure payment and performance when due of all debts, liabilities and obligations, direct or indirect, absolute or contingent, matured or unmatured, of the Guarantor.
4. This Acknowledgement and Confirmation and Amendment shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
5. This Acknowledgement and Confirmation and Amendment constitutes a “Loan Document” for purposes of the Loan Agreement.
6. This Acknowledgement and Confirmation and Amendment may be executed in any number of counterparts, any of which may be delivered by facsimile transmission, and all of such counterparts taken together shall be deemed to constitute one and the same instrument.
7. Capitalized terms used in this Acknowledgement and Confirmation and Amendment and not otherwise defined shall have the same meaning as in the Loan Agreement.

[SIGNATURE PAGE FOLLOWS]

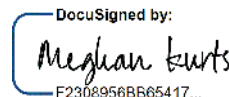
DATED as of March 21, 2022.

PRIMARY GROUP LIMITED

By: 

Name: PHILIP JAMES
Title: DIRECTOR

**AVIVA INSURANCE COMPANY OF
CANADA**

By: 

Name: Meghan kurts
Title: Authorized Signatory

CERTIFICATE AS TO THE SECOND GUARANTEE AMENDMENT

TO: AVIVA INSURANCE COMPANY OF CANADA

Reference is made to the second amendment and acknowledgement and confirmation dated November 16, 2022 (the "**Second Guarantee Amendment**"), amending the guarantee dated November 15, 2021 made by Primary Group Limited (the "**Guarantor**") in favour of Aviva Insurance Company of Canada (the "**Lender**"), as acknowledged and confirmed by the Guarantor pursuant to an acknowledgement and confirmation of security by the Guarantor to the Lender dated March 21, 2022.

I, Chris Chu, certify that annexed hereto, forming part hereof and marked as Exhibit "A", is a true and complete copy of the Second Guarantee Amendment.

DATED November 16, 2022.

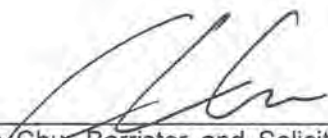

Chris Chu, Barrister and Solicitor in and for
the Province of British Columbia

EXHIBIT "A"
SECOND GUARANTEE AMENDMENT

See attached.

**SECOND AMENDMENT TO GUARANTEE AND ACKNOWLEDGEMENT AND
CONFIRMATION OF GUARANTEE BY GUARANTOR
("Acknowledgement and Confirmation and Amendment")**

RECITALS:

- (a) Aviva Insurance Company of Canada (the "**Lender**") has made a credit facility available to Ignite Services Inc. (the "**Borrower**") upon the terms and conditions contained in a letter loan agreement dated November 15, 2021, between the Lender and the Borrower, as amended by a first loan amending agreement dated March 21, 2022 (together, the "**Principal Loan Agreement**");
- (b) As a condition of the extension of credit under the Principal Loan Agreement, Primary Group Limited (the "**Guarantor**") guaranteed the obligations of the Borrower to the Lender pursuant to a guarantee dated November 15, 2021, as acknowledged and confirmed by the Guarantor pursuant to an acknowledgement and confirmation of security by the Guarantor to the Lender dated March 21, 2022 (together, the "**Original Guarantee**"). The Original Guarantee, as amended by this Acknowledgement and Confirmation and Amendment, and the same as may be further amended, supplemented or restated at any time and from time to time, is hereinafter referred to as the "**Guarantee**";
- (c) Effective as of the date hereof, the Lender and the Borrower have agreed to make certain amendments to the terms of the Principal Loan Agreement to provide an additional loan advance in the amount of up to \$440,000 to the Borrower pursuant to a second loan amending agreement between the Lender and the Borrower dated as of the date hereof (the "**Amending Agreement**", and together with the Principal Loan Agreement and as it may be further amended, restated, supplemented or amended and restated at any time and from time to time, the "**Loan Agreement**");
- (d) In connection with the Amending Agreement, (a) the Guarantor and Lender wish to amend the provisions of the Original Guarantee pursuant to this Acknowledgement and Confirmation and Amendment; and (b) the Guarantor wishes to confirm that it is bound by the Loan Documents to which it is a party.

THEREFORE, in consideration of the mutual covenants and undertakings contained herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged by each party, the parties hereto have agreed as follows:

1. The provisions in this Section 1 are declared to be supplemental to the Original Guarantee and are to form part thereof and shall have the same effect as though incorporated in the Original Guarantee. As of the date of this Acknowledgement and Confirmation and Amendment, the Original Guarantee is hereby amended in accordance with the provisions below.

- 1.1. The term "Obligations" in Section 1.1 of the Original Guarantee is deleted in its entirety and replaced with the following:

" **"Obligations"** means (i) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, at any time or from time to time due or accruing due and owing by or otherwise payable by the Borrower to the Secured Party, in any currency, however or wherever incurred, and whether incurred by the Borrower alone or jointly with another or others and whether as principal, guarantor or surety, and (ii) the due performance and compliance by the Borrower with all of the terms and conditions of the Letter Agreement and the other Loan Documents, as such debts, liabilities and obligations may be varied from time to time as contemplated by Section 3.7, up to a maximum amount of CAD \$8,000,000."

- 1.2. Section 2.5 of the Original Guarantee is deleted in its entirety and replaced with the following:

"Notwithstanding anything in this Guarantee to the contrary, the liability of the Guarantor under this Guarantee is limited to the amount of CAD \$8,000,000."

2. The Guarantor acknowledges, confirms and agrees that the Obligations (as defined in the Guarantee) include all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, at any time or from time to time due or accruing due and owing by or otherwise payable by the Borrower to the Lender under the Loan Agreement and each other Loan Document to which the Borrower is a party.
3. The Guarantor acknowledges, confirms and agrees that the Guarantee remains in full force and effect, unamended except as contemplated herein and continues to secure payment and performance when due of all debts, liabilities and obligations, direct or indirect, absolute or contingent, matured or unmatured, of the Guarantor.
4. This Acknowledgement and Confirmation and Amendment shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
5. This Acknowledgement and Confirmation and Amendment constitutes a "Loan Document" for purposes of the Loan Agreement.
6. This Acknowledgement and Confirmation and Amendment may be executed in any number of counterparts, any of which may be delivered by facsimile transmission, and all of such counterparts taken together shall be deemed to constitute one and the same instrument.
7. Capitalized terms used in this Acknowledgement and Confirmation and Amendment and not otherwise defined shall have the same meaning as in the Loan Agreement.

[SIGNATURE PAGE FOLLOWS]

Page 3 of 3

DATED as of November 16, 2022.

PRIMARY GROUP LIMITED

By: 

Name: PHILIP JAMES
Title: DIRECTOR

**AVIVA INSURANCE COMPANY OF
CANADA**

By:

Name:
Title: Authorized Signatory

[SIGNATURE PAGE FOLLOWS]

DATED as of November 16, 2022.

PRIMARY GROUP LIMITED

By:

Name:

Title:

**AVIVA INSURANCE COMPANY OF
CANADA**

By:

DocuSigned by:


Name: Melissa Sopko

Title: Authorized Signatory

IGNITE INSURANCE CORPORATION

as Guarantor

and

AVIVA INSURANCE COMPANY OF CANADA

as Secured Party

GUARANTEE

November 15, 2021

GUARANTEE

Guarantee dated as of November 15, 2021 made to and in favour of Aviva Insurance Company of Canada by Ignite Insurance Corporation.

RECITALS:

- (a) The Secured Party has agreed to make a certain credit facility available to the Borrower on the terms and conditions contained in the Letter Agreement;
- (b) It is a condition precedent to the extension of credit to the Borrower under the Letter Agreement that the Guarantor executes and delivers this Guarantee; and
- (c) The Guarantor considers it in its best interest to provide this Guarantee.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Guarantor agrees as follows.

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

As used in this Guarantee the following terms have the following meanings:

"Borrower" means Ignite Services Inc., a corporation incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

"Guarantee" means this guarantee, as amended, modified, replaced, restated or supplemented from time to time.

"Guarantor" means Ignite Insurance Corporation, a corporation incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

"Guarantor Security Documents" means the agreements described in Schedule "A" and any other security held by the Secured Party from time to time for the Guarantor's obligations under this Guarantee.

"Letter Agreement" means the letter agreement dated as of the date hereof between the Borrower and the Secured Party, as the same may be amended,

modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending the maturity of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Secured Party.

"Loan Documents" means the Letter Agreement, this Guarantee, each of the Guarantor Security Documents and each other Loan Document (as such term is defined in the Letter Agreement).

"Loan Parties" means the Borrower, the Guarantor and any other person that, from time to time, provides credit support for the Obligations.

"Obligations" means (i) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, at any time or from time to time due or accruing due and owing by or otherwise payable by the Borrower to the Secured Party, in any currency, however or wherever incurred, and whether incurred by the Borrower alone or jointly with another or others and whether as principal, guarantor or surety, and (ii) the due performance and compliance by the Borrower with all of the terms and conditions of the Letter Agreement and the other Loan Documents, as such debts, liabilities and obligations may be varied from time to time as contemplated by Section 3.7.

"Secured Party" means Aviva Insurance Company of Canada and its successors and assigns.

Section 1.2 Interpretation.

- (1) Capitalized terms used in this Guarantee but not defined have the meanings given to them in the Letter Agreement.
- (2) In this Guarantee the words **"including"**, **"includes"** and **"include"** mean **"including (or includes or include) without limitation"**. 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"**. The expression **"Article"**, **"Section"** or other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Guarantee.
- (3) Any reference in this Guarantee to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (4) The division of this Guarantee into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and are not to affect its interpretation.

- (5) The schedules attached to this Guarantee form an integral part of it for all purposes of it.
- (6) Any reference to this Guarantee or any Loan Document refers to this Guarantee or such Loan Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules to it. Except as otherwise provided in this Guarantee, any reference in this Guarantee 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 or re-enacted.
- (7) All references in this Guarantee to dollars, unless otherwise specifically indicated, are expressed in Canadian currency.

ARTICLE 2 GUARANTEE

Section 2.1 Guarantee.

The Guarantor irrevocably and unconditionally guarantees to the Secured Party the due and punctual payment, and the due performance, whether at stated maturity, by acceleration or otherwise, of the Obligations. The Guarantor agrees that the Obligations will be paid to the Secured Party strictly in accordance with their terms and conditions.

Section 2.2 Indemnity.

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Secured Party from and against all losses resulting from the failure of the Borrower to duly perform such Obligations.

Section 2.3 Primary Obligation

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 or the Secured Party is not indemnified under Section 2.2, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.

Section 2.4 Absolute Liability.

The Guarantor agrees that the liability of the Guarantor under Section 2.1 and Section 2.3 and, for greater certainty, under Section 2.2, is absolute and unconditional irrespective of:

- (a) the lack of validity or enforceability of any terms of any of the Loan Documents;
- (b) any contest by the Borrower or any other person as to the amount of the Obligations, the validity or enforceability of any terms of the Loan Documents or the perfection or priority of any security granted to the Secured Party;
- (c) any defence, counter claim or right of set-off available to the Borrower;
- (d) any release, compounding or other variance of the liability of the Borrower or any other person liable in any manner under or in respect of the Obligations or the extinguishment of all or any part of the Obligations by operation of law;
- (e) any change in the time or times for, or place or manner or terms of payment or performance of the Obligations or any consent, waiver, renewal, alteration, extension, compromise, arrangement, concession, release, discharge or other indulgences which the Secured Party may grant to the Borrower or any other person;
- (f) any amendment or supplement to, or alteration or renewal of, or restatement, replacement, refinancing or modification or variation of (including any increase in the amounts available thereunder or the inclusion of an additional borrower thereunder), or other action or inaction under, the Letter Agreement, the other Loan Documents or any other related document or instrument, or the Obligations;
- (g) any discontinuance, termination, reduction, renewal, increase, abstention from renewing or other variation of any credit or credit facilities to, or the terms or conditions of any transaction with, the Borrower or any other person;
- (h) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of the Borrower, the Guarantor or any other Loan Party or any reorganization (whether by way of reconstruction, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of the Borrower, the Guarantor or any other Loan Party or their respective businesses;
- (i) any dealings with the security which the Secured Party holds or may hold pursuant to the terms and conditions of the Loan Documents, including the taking, giving up or exchange of securities, their variation or realization, the accepting of compositions and the granting of releases and discharges;

- (j) any limitation of status or power, disability, incapacity or other circumstance relating to the Borrower, the Guarantor, any other Loan Party or any other person, including any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, winding-up or other like proceeding involving or affecting the Borrower, the Guarantor, any other Loan Party or any other person or any action taken with respect to this Guarantee by any trustee or receiver, or by any court, in any such proceeding, whether or not the Guarantor shall have notice or knowledge of any of the foregoing;
- (k) the assignment of all or any part of the benefits of this Guarantee;
- (l) any impossibility, impracticability, frustration of purpose, force majeure or illegality of any Loan Document, or the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction or by any present or future action of (i) any governmental entity that amends, varies, reduces or otherwise affects, or purports to amend, vary, reduce or otherwise affect, any of the Obligations or the obligations of the Guarantor under this Guarantee, or (ii) any court order that amends, varies, reduces or otherwise affects any of the Obligations;
- (m) any taking or failure to take security, any loss of, or loss of value of, any security, or any invalidity, non-perfection or unenforceability of any security held by the Secured Party, or any exercise or enforcement of, or failure to exercise or enforce, security, or irregularity or defect in the manner or procedure by which the Secured Party realizes on such security;
- (n) any application of any sums received to the Obligations, or any part thereof, and any change in such application; and
- (o) any other circumstances which might otherwise constitute a defence available to, or a discharge of, the Guarantor, the Borrower or any other person in respect of the Obligations or this Guarantee.

ARTICLE 3 ENFORCEMENT

Section 3.1 Remedies.

The Secured Party is not bound to exhaust its recourse against the Borrower or any other person or realize on any security it may hold in respect of the Obligations before being entitled to (i) enforce payment and performance under this

Guarantee or (ii) pursue any other remedy against the Guarantor, and the Guarantor renounces all benefits of discussion and division.

Section 3.2 Amount of Obligations.

Any account settled or stated by or between the Secured Party and the Borrower, or if any such account has not been settled or stated immediately before demand for payment under this Guarantee, any account stated by the Secured Party shall, in the absence of manifest mathematical error, be accepted by the Guarantor as conclusive evidence of the amount of the Obligations which is due by the Borrower to the Secured Party or remains unpaid by the Borrower to the Secured Party.

Section 3.3 Payment on Demand.

The Guarantor will pay and perform the Obligations and pay all other amounts payable by it to the Secured Party under this Guarantee, and the obligation to do so arises, immediately after demand for such payment or performance is made in writing to it. The liability of the Guarantor bears interest from the date of such demand at the rate or rates of interest then applicable to the Obligations under and calculated in the manner provided in the Loan Documents (including any adjustment to give effect to the provisions of the *Interest Act* (Canada)).

Section 3.4 Costs and Expenses.

The Guarantor is liable for and will pay on demand by the Secured Party any and all reasonable expenses, costs and charges incurred by or on behalf of the Secured Party in connection with this Guarantee, including all reasonable legal fees, courts costs, receivers or agent's remuneration and other expenses in connection with enforcing any of their rights under this Guarantee.

Section 3.5 Assignment and Postponement.

- (1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever and all security therefor (the "**Intercompany Indebtedness**") are assigned and transferred to the Secured Party as continuing and collateral security for the Guarantor's obligations under this Guarantee and postponed to the payment in full of all Obligations. Until the occurrence of an Event of Default that is continuing the Guarantor may receive payments in respect of the Intercompany Indebtedness as permitted under the Letter Agreement. The Guarantor will not assign all or any part of the Intercompany Indebtedness to any person other than the Secured Party.
- (2) Upon the occurrence and during the continuation of an Event of Default, all Intercompany Indebtedness will be held in trust for the Secured Party and will be collected, enforced or proved subject to, and for the purpose of, this Guarantee. In such event, any payments received by the Guarantor in respect of the Intercompany Indebtedness will be held in trust for the Secured Party

and segregated from other funds and property held by the Guarantor and immediately paid to the Secured Party on account of the Obligations.

- (3) The Intercompany Indebtedness shall not be released or withdrawn by the Guarantor without the prior written consent of the Secured Party. The Guarantor will not allow a limitation period to expire on the Intercompany Indebtedness or ask for or obtain any security or negotiable paper for, or other evidence of, the Intercompany Indebtedness except for the purpose of delivering the same to the Secured Party.
- (4) In the event of any insolvency, bankruptcy or other proceeding involving the liquidation, arrangement, compromise, reorganization or other relief with respect to the Borrower or its debts, the Guarantor will, upon the request of the Secured Party, make and present a proof of claim or commence such other proceedings against the Borrower on account of the Intercompany Indebtedness as may be reasonably necessary to establish the Guarantor's entitlement to payment of any Intercompany Indebtedness. Such proof of claim or other proceeding must be made or commenced prior to the earlier of (i) the day which is 30 days after notice requesting such action is delivered by or on behalf of the Secured Party to the Guarantor and (ii) the day which is 10 days preceding the date when such proof of claim or other proceeding is required by applicable law to be made or commenced. Such proof of claim or other proceeding must be in form and substance acceptable to the Secured Party.
- (5) If the Guarantor fails to make and file such proof of claim or commence such other proceeding in accordance with this Section, the Secured Party is irrevocably authorized, empowered and directed and appointed the true and lawful attorney of the Guarantor (but is not obliged) with the power to exercise for and on behalf of the Guarantor the following rights, upon the occurrence and during the continuance of an Event of Default: (i) to make and present for and on behalf of the Guarantor proofs of claims or other such proceedings against the Borrower on account of the Intercompany Indebtedness, (ii) to demand, sue for, receive and collect any and all dividends or other payments or disbursements made in respect of the Intercompany Indebtedness in whatever form the same may be paid or issued and to apply the same on account of the Obligations, and (iii) to demand, sue for, collect and receive each such payment and distribution and give acquittance therefor and to file claims and take such other actions, in its own name or in the name of the Guarantor or otherwise, as the Secured Party may deem necessary or advisable to enforce its rights under this Guarantee.
- (6) The Guarantor will execute all subordinations, postponements, assignments and other agreements as the Secured Party may reasonably request to more

effectively subordinate and postpone the Intercompany Indebtedness to the payment and performance of the Obligations.

- (7) The provisions of this Section 3.5 survive the termination of this Guarantee and remain in full force and effect until (i) the Obligations and all other amounts owing under the Loan Documents are repaid in full; and (ii) the Secured Party has no further obligations under any of the Loan Documents.

Section 3.6 Suspension of Guarantor Rights.

So long as there are any Obligations, the Guarantor will not exercise any rights which it may at any time have by reason of the performance of any of its obligations under this Guarantee (i) to be indemnified by the Borrower, (ii) to claim contribution from any other guarantor of the debts, liabilities or obligations of the Borrower, or (iii) subject to Section 3.8, to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Party under any of the Loan Documents.

Section 3.7 No Prejudice to Secured Party.

The Secured Party is not prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower or the Secured Party. The Secured Party may, at any time and from time to time, in such manner it determines is expedient, without any consent of, or notice to, the Guarantor and without impairing or releasing the obligations of the Guarantor (i) change the manner, place, time or terms of payment or performance of the Obligations, (ii) renew or alter the Obligations, (iii) amend, vary, modify, supplement or replace any Loan Document or any other related document or instrument, (iv) discontinue, reduce, renew, increase, abstain from renewing or otherwise vary any credit or credit facilities to, any transaction with, the Borrower or any other person, (v) release, compound or vary the liability of the Borrower or any other person liable in any manner under or in respect of the Obligations, (vi) take or abstain from taking securities or collateral from any other person, or from perfecting securities or collateral of any other person, (vii) exercise or enforce or refrain from exercising or enforcing any right or security against the Borrower, the Guarantor or any other person, (viii) accept compromises or arrangement from any person, (ix) apply any sums from time to time received to the Obligations, or any part thereof, and change any such application in whole or in part from time to time, and (x) otherwise deal with, or waive or modify their right to deal with, any person and security. In their dealings with the Borrower, the Secured Party need not enquire into the authority or power of any person purporting to act for or on behalf of the Borrower.

Section 3.8 No Subrogation

The Guarantor irrevocably waives any claim, remedy or other right which it may now have or hereafter acquire against the Borrower that arises from the existence, payment, performance or enforcement of the Guarantor's obligations under this Guarantee, including any right of subrogation, reimbursement, exoneration, indemnification or any right to participate in any claim or remedy of the Secured Party against the Borrower or any collateral which the Secured Party now has or hereafter acquires, whether or not such claim, remedy or other right is reduced to judgment or is liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, and whether or not such claim, remedy or other right arises in equity or under contract, statute or common law. The Guarantor further agrees that the Borrower is an intended third party beneficiary of the Guarantor's waiver contained in this Section 3.8. If any amount is paid to the Guarantor in violation of this Section and, at such time, the Secured Party's claims against the Borrower in respect of the Obligations have not been paid in full, any amount paid to the Guarantor is deemed to have been paid to the Guarantor for the benefit of, and held in trust for the Secured Party and will immediately be paid to the Secured Party to be credited and applied to such Obligations. The Guarantor acknowledges that it will receive direct and indirect benefits from the transactions contemplated by this Guarantee and that the waiver in this Section 3.8 is knowingly made in contemplation of such benefits.

Section 3.9 No Set-off.

To the fullest extent permitted by law, the Guarantor makes all payments under this Guarantee without regard to any defence, counter-claim or right of set-off available to it.

Section 3.10 Successors of the Borrower.

This Guarantee will not be revoked by any change in the constitution of the Borrower. This Guarantee and each of the Guarantor Security Documents extends to any person, firm or corporation acquiring, or from time to time carrying on, the business of the Borrower.

Section 3.11 Continuing Guarantee and Continuing Obligations.

The obligation of the Guarantor under Section 2.1 is a continuing guarantee, and the obligations of the Guarantor under Section 2.2 and Section 2.3 are continuing obligations. Each of Section 2.1, Section 2.2 and Section 2.3 extends to all present and future Obligations, applies to and secures the ultimate balance of the Obligations due or remaining due to the Secured Party and is binding as a continuing obligation of the Guarantor until the Secured Party releases the Guarantor. This Guarantee will continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Secured Party upon the insolvency, bankruptcy or

reorganization of the Borrower or otherwise, all as though the payment had not been made.

Section 3.12 Supplemental Security.

This Guarantee is in addition and without prejudice to and supplemental to all other guarantees, indemnities, obligations and security now held or which may hereafter be held by the Secured Party.

Section 3.13 Security for Guarantee.

The Guarantor acknowledges that this Guarantee is intended to secure payment and performance of the Obligations and that the payment and performance of the Obligations and the other obligations of the Guarantor under this Guarantee are secured pursuant to the terms and provisions of each of the Guarantor Security Documents.

Section 3.14 Right of Set-off.

Upon the occurrence and during the continuance of any Event of Default, the Secured Party is authorized by the Guarantor at any time and from time to time and may, to the fullest extent permitted by law, set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Secured Party to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing irrespective of whether or not (i) the Secured Party has made any demand under this Guarantee, or (ii) any of the obligations comprising the Obligations are contingent or unmatured. The rights of the Secured Party under this Section 3.14 are in addition and without prejudice to and supplemental to other rights and remedies which the Secured Party may have.

Section 3.15 Interest Act (Canada).

The Guarantor acknowledges that certain of the rates of interest applicable to the Obligations may be computed on the basis of a year of 365 days or 366 days, as the case may be and paid for the actual number of days elapsed. For purposes of the *Interest Act* (Canada), whenever any interest is calculated using a rate based on a year of 365 days or 366 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to (i) the applicable rate based on a year of 365 days or 366 days, as the case may be, (ii) multiplied by the actual number of days in the calendar year in which the period for such interest is payable (or compounded) ends, and (iii) divided by 365 or 366, as the case may be.

ARTICLE 4 REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.1 Representations and Warranties.

The Guarantor represents and warrants, acknowledging and confirming that that the Secured Party is relying on such representations and warranties in connection with the acceptance of this Guarantee, that:

- (a) **Incorporation and Qualification.** The Guarantor is a corporation incorporated and existing under the laws of the Province of Ontario.
- (b) **Corporate Power.** The Guarantor has the corporate power to (i) own, lease and operate its properties and assets and carry on its business as now being conducted by it, and (ii) enter into and perform its obligations under the Loan Documents to which the Guarantor is a party.
- (c) **Conflict with Other Instruments.** The execution and delivery by the Guarantor and the performance by the Guarantor of its obligations under, and compliance with the terms, conditions and provisions of, this Guarantee and each of the Loan Documents to which the Guarantor is a party will not (a) conflict with or result in a breach of any of the terms and conditions of (i) its constating documents or by laws or any applicable unanimous shareholders agreement, (ii) any applicable law, rule or regulation, (iii) any contractual restriction binding on or affecting it or its properties, including without limitation any agreement with respect to Funded Debt, or (iv) any judgment, injunction, determination or award which is binding on it, or (b) result in, require or permit the imposition of any encumbrance in, on or with respect to any of its assets or property (except in favour of the Secured Party).
- (d) **Corporate Action, Governmental Approvals, etc.** The execution and delivery of this Guarantee and each of the Loan Documents to which the Guarantor is a party by the Guarantor and the performance by the Guarantor of its obligations under this Guarantee and each of the Loan Documents to which the Guarantor is a party have been duly authorized by all necessary corporate action including, without limitation, the obtaining of all necessary shareholder consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Entity or other person is necessary in connection with the execution, delivery and performance of obligations under this Guarantee or any of the

Loan Documents to which the Guarantor is a party except as are in full force and effect, unamended, at the date of this Guarantee.

- (e) **Execution and Binding Obligation.** This Guarantee and the other Loan Documents to which the Guarantor is a party have been duly executed and delivered by the Guarantor and constitute legal, valid and binding agreements of it enforceable against it in accordance with their respective terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (f) **Authorized and Issued Capital.** The authorized and issued capital of the Guarantor is listed in Schedule "B".
- (g) **Letter Agreement Representations.** Each representation and warranty made by the Borrower in the Letter Agreement, to the extent it pertains to the Guarantor or any of its Subsidiaries, the Business of the Guarantor or any of its Subsidiaries or the Loan Documents to which the Guarantor or any of its Subsidiaries is a party, is true, accurate and complete in all respects.

Section 4.2 Survival of Representations and Warranties.

The representations and warranties in this Guarantee and in any certificates or documents delivered to the Secured Party shall survive the execution and delivery of this Guarantee and shall continue in full force and effect without time limit.

Section 4.3 Covenants.

Until the Obligations and all other amounts owing under this Guarantee are paid or repaid in full, the Obligations are performed in full and the Secured Party has no obligations under the Loan Documents, the Guarantor covenants and agrees that it will take, or will refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in the Letter Agreement, and so that no Default or Event of Default, is caused by the actions of the Guarantor or any of its Subsidiaries.

ARTICLE 5 GENERAL

Section 5.1 Notices, etc.

Any notice, direction or other communication required or permitted to be given under this Guarantee shall be in writing and given by delivering it or sending it by facsimile, email or other similar form of recorded or electronic communication addressed:

- (i) if to the Guarantor, to it at:

615 Kumpf Dr, Suite 500, Waterloo, ON N2V 1K8

Attention: Steve Livingstone

Telephone: 519-340-1000 ext. 100

Email: slivingstone@ahainsurance.ca

- (ii) if to the Secured Party by email, to it at:

Email: generalcounsel.ca@aviva.com

if to the Secured Party other than by email, to it at:

10 Aviva Way, Suite 100, Markham, ON L6G 0G1

Attention: Chief Financial Officer

Telephone: 365-873-5966

With a copy to the same address:

Attention: General Counsel and Chief Legal Officer

Telephone: 365-873-5038

Any communication shall be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), (ii) if transmitted by facsimile, email or similar means of recorded or electronic communication on the Business Day following the date of transmission. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.

Section 5.2 No Merger, Survival of Representations and Warranties.

The representations, warranties and covenants of the Guarantor in this Guarantee survive the execution and delivery of this Guarantee and each advance

under the Letter Agreement. Notwithstanding any investigation made by or on behalf of the Secured Party, the representations, warranties and covenants in this Guarantee continue in full force and effect.

Section 5.3 Further Assurances.

- (1) The Guarantor will do all acts and things and execute and deliver, or cause to be executed and delivered, all documents and instruments that the Secured Party may request to give full effect to this Guarantee and to perfect and preserve the rights and powers of the Secured Party under this Guarantee, including any acknowledgements and confirmations of this Guarantee, each of the Guarantor Security Documents and any other Loan Documents to which the Guarantor is a party.
- (2) The Guarantor acknowledges and confirms that the Guarantor itself has established its own adequate means of obtaining from the Borrower on a continuing basis all information desired by the Guarantor concerning the financial condition of the Borrower and that the Guarantor will look to the Borrower and not to the Secured Party, in order to keep adequately informed of changes in the Borrower's financial condition.

Section 5.4 Successors and Assigns.

This Guarantee is binding upon the Guarantor, its successors and permitted assigns, and enures to the benefit of the Secured Party and its successors and assigns. This Guarantee may be assigned by the Secured Party without the consent of, or notice to, the Guarantor, to such person as the Secured Party may determine and, in such event, such person will be entitled to all of the rights and remedies of the Secured Party as set forth in this Guarantee or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Guarantor shall not assert against the assignee any claim or defence which the Guarantor now has or may have against the Secured Party. The Guarantor may not assign, transfer or delegate any of its rights or obligations under this Guarantee without the prior written consent of the Secured Party which may be unreasonably withheld.

Section 5.5 Amendment.

This Guarantee may only be amended, supplemented or otherwise modified by written agreement executed by the Secured Party and the Guarantor affected by such amendment, supplement or modification.

Section 5.6 Waivers, etc.

- (1) No consent or waiver by the Secured Party in respect of this Guarantee is binding unless made in writing and signed by an authorized officer of the Secured Party. Any consent or waiver given under this Guarantee is effective only in the specific instance and for the specific purpose for which it is given.

No waiver of any of the provisions of this Guarantee constitutes a waiver of any other provision.

- (2) A failure or delay on the part of the Secured Party in exercising a right under this Guarantee does not operate as a waiver of, or impair, any right of the Secured Party however arising. A single or partial exercise of a right on the part of the Secured Party does not preclude any other or further exercise of that right or the exercise of any other right by the Secured Party.

Section 5.7 Severability.

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

Section 5.8 Application of Proceeds.

All monies collected by the Secured Party under this Guarantee will be applied as provided in the Letter Agreement. To the extent any other Loan Document requires proceeds of collateral under such Loan Document to be applied in accordance with the provisions of this Guarantee, the Secured Party or holder under such other Loan Document shall apply such proceeds in accordance with this Section.

Section 5.9 Governing Law.

This Guarantee will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 5.10 Electronic Execution.

The Guarantor may deliver electronically, or by facsimile an executed copy of this Guarantee and such electronic or facsimile copy shall be deemed to be an original.

IN WITNESS WHEREOF the Guarantor has executed this Guarantee.

**IGNITE INSURANCE
CORPORATION**

By:



Name: Stephen D. Livingstone
Title: President and Secretary

SCHEDULE "A"
GUARANTOR SECURITY DOCUMENTS

1. Security Agreement among the Guarantor and the Secured Party dated as of the date hereof.

SCHEDULE "B"
AUTHORIZED AND ISSUED CAPITAL

<u>Issuer</u>	<u>Class of Securities</u>	<u>Number of authorized Securities</u>	<u>Number of issued and outstanding Securities</u>	<u># of Securities/Registered in the name of</u>
Ignite Insurance Corporation	Common Shares	Unlimited	100	100, Ignite Holdings Inc.

IGNITE HOLDINGS INC.

as Guarantor

and

AVIVA INSURANCE COMPANY OF CANADA

as Secured Party

LIMITED RECOURSE GUARANTEE

November 15, 2021

LIMITED RECOURSE GUARANTEE

Limited Recourse Guarantee dated as of November 15, 2021 made to and in favour of Aviva Insurance Company of Canada by Ignite Holdings Inc.

RECITALS:

- (a) The Secured Party has agreed to make a certain credit facility available to the Borrower on the terms and conditions contained in the Letter Agreement;
- (b) It is a condition precedent to the extension of credit to the Borrower under the Letter Agreement that the Guarantor executes and delivers this Guarantee;
- (c) The Guarantor is a shareholder of the Borrower and will therefore benefit from the provision of the Letter Agreement to the Borrower; and
- (d) The Guarantor considers it in its best interest to provide this Guarantee.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Guarantor agrees as follows.

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

As used in this Guarantee the following terms have the following meanings:

“Borrower” means Ignite Services Inc., a corporation incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

“Guarantee” means this limited recourse guarantee, as it may be amended, restated, supplemented or amended and restated at any time and from time to time.

“Guarantor” means Ignite Holdings Inc., a corporation incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

“Guarantor Security Documents” means the agreements described in Schedule “A” and any other security held by the Secured Party from time to time for the Guarantor’s obligations under this Guarantee.

“Letter Agreement” means the letter agreement dated as of the date hereof between the Borrower and the Secured Party, as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending the maturity of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Secured Party.

“Loan Documents” means the Letter Agreement, this Guarantee, each of the Guarantor Security Documents and each other Loan Document (as such term is defined in the Letter Agreement).

“Loan Parties” means the Borrower, the Guarantor and any other person that, from time to time, provides credit support for the Obligations.

“Obligations” means (i) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, at any time or from time to time due or accruing due and owing by or otherwise payable by the Borrower to the Secured Party, in any currency, however or wherever incurred, and whether incurred by the Borrower alone or jointly with another or others and whether as principal, guarantor or surety, and (ii) the due performance and compliance by the Borrower with all of the terms and conditions of the Letter Agreement and the other Loan Documents, as such debts, liabilities and obligations may be varied from time to time as contemplated by Section 3.7.

“Secured Party” means Aviva Insurance Company of Canada and its successors and assigns.

Section 1.2 Interpretation.

- (1) Capitalized terms used in this Guarantee but not defined have the meanings given to them in the Letter Agreement.
- (2) In this Guarantee the words **“including”, “includes” and “include”** mean **“including (or includes or include) without limitation”**. 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”**. The expression **“Article”, “Section”** or other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Guarantee.

- (3) Any reference in this Guarantee to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (4) The division of this Guarantee into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and are not to affect its interpretation.
- (5) The schedules attached to this Guarantee form an integral part of it for all purposes of it.
- (6) Any reference to this Guarantee or any Loan Document refers to this Guarantee or such Loan Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules to it. Except as otherwise provided in this Guarantee, any reference in this Guarantee 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 or re-enacted.
- (7) All references in this Guarantee to dollars, unless otherwise specifically indicated, are expressed in Canadian currency.

ARTICLE 2

LIMITED RECOURSE GUARANTEE

Section 2.1 Limited Recourse Guarantee.

The Guarantor irrevocably and unconditionally guarantees to the Secured Party the due and punctual payment, and the due performance, whether at stated maturity, by acceleration or otherwise, of the Obligations. The Guarantor agrees that the Obligations will be paid to the Secured Party strictly in accordance with their terms and conditions.

Notwithstanding that the obligations of the Guarantor under this Guarantee are or will be debts owing by the Guarantor to the Secured Party, the Secured Party's sole recourse in enforcing the terms of this Guarantee and the other Loan Documents to which the Guarantor is a party is limited to the security constituted by the Guarantor Security Documents.

Section 2.2 Indemnity.

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Secured Party from and against all losses resulting from the failure of the Borrower to duly perform such Obligations.

Section 2.3 Primary Obligation

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 or the Secured Party is not indemnified under Section 2.2, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.

Section 2.4 Absolute Liability.

The Guarantor agrees that the liability of the Guarantor under Section 2.1 and Section 2.3 and, for greater certainty, under Section 2.2, is absolute and unconditional irrespective of:

- (a) the lack of validity or enforceability of any terms of any of the Loan Documents;
- (b) any contest by the Borrower or any other person as to the amount of the Obligations, the validity or enforceability of any terms of the Loan Documents or the perfection or priority of any security granted to the Secured Party;
- (c) any defence, counter claim or right of set-off available to the Borrower;
- (d) any release, compounding or other variance of the liability of the Borrower or any other person liable in any manner under or in respect of the Obligations or the extinguishment of all or any part of the Obligations by operation of law;
- (e) any change in the time or times for, or place or manner or terms of payment or performance of the Obligations or any consent, waiver, renewal, alteration, extension, compromise, arrangement, concession, release, discharge or other indulgences which the Secured Party may grant to the Borrower or any other person;
- (f) any amendment or supplement to, or alteration or renewal of, or restatement, replacement, refinancing or modification or variation of (including any increase in the amounts available thereunder or the inclusion of an additional borrower thereunder), or other action or inaction under, the Letter Agreement, the other Loan Documents or any other related document or instrument, or the Obligations;
- (g) any discontinuance, termination, reduction, renewal, increase, abstention from renewing or other variation of any credit or credit facilities to, or the terms or conditions of any transaction with, the Borrower or any other person;

- (h) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of the Borrower, the Guarantor or any other Loan Party or any reorganization (whether by way of reconstruction, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of the Borrower, the Guarantor or any other Loan Party or their respective businesses;
- (i) any dealings with the security which the Secured Party holds or may hold pursuant to the terms and conditions of the Loan Documents, including the taking, giving up or exchange of securities, their variation or realization, the accepting of compositions and the granting of releases and discharges;
- (j) any limitation of status or power, disability, incapacity or other circumstance relating to the Borrower, the Guarantor, any other Loan Party or any other person, including any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, winding-up or other like proceeding involving or affecting the Borrower, the Guarantor, any other Loan Party or any other person or any action taken with respect to this Guarantee by any trustee or receiver, or by any court, in any such proceeding, whether or not the Guarantor shall have notice or knowledge of any of the foregoing;
- (k) the assignment of all or any part of the benefits of this Guarantee;
- (l) any impossibility, impracticability, frustration of purpose, force majeure or illegality of any Loan Document, or the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction or by any present or future action of (i) any governmental entity that amends, varies, reduces or otherwise affects, or purports to amend, vary, reduce or otherwise affect, any of the Obligations or the obligations of the Guarantor under this Guarantee, or (ii) any court order that amends, varies, reduces or otherwise affects any of the Obligations;
- (m) any taking or failure to take security, any loss of, or loss of value of, any security, or any invalidity, non-perfection or unenforceability of any security held by the Secured Party, or any exercise or enforcement of, or failure to exercise or enforce, security, or irregularity or defect in the manner or procedure by which the Secured Party realizes on such security;
- (n) any application of any sums received to the Obligations, or any part thereof, and any change in such application; and

- (o) any other circumstances which might otherwise constitute a defence available to, or a discharge of, the Guarantor, the Borrower or any other person in respect of the Obligations or this Guarantee.

ARTICLE 3 ENFORCEMENT

Section 3.1 Remedies.

The Secured Party is not bound to exhaust its recourse against the Borrower or any other person or realize on any security it may hold in respect of the Obligations before being entitled to (i) enforce payment and performance under this Guarantee or (ii) pursue any other remedy against the Guarantor, and the Guarantor renounces all benefits of discussion and division.

Section 3.2 Amount of Obligations.

Any account settled or stated by or between the Secured Party and the Borrower, or if any such account has not been settled or stated immediately before demand for payment under this Guarantee, any account stated by the Secured Party shall, in the absence of manifest mathematical error, be accepted by the Guarantor as conclusive evidence of the amount of the Obligations which is due by the Borrower to the Secured Party or remains unpaid by the Borrower to the Secured Party.

Section 3.3 Payment on Demand.

The Guarantor will pay and perform the Obligations and pay all other amounts payable by it to the Secured Party under this Guarantee, and the obligation to do so arises, immediately after demand for such payment or performance is made in writing to it. The liability of the Guarantor bears interest from the date of such demand at the rate or rates of interest then applicable to the Obligations under and calculated in the manner provided in the Loan Documents (including any adjustment to give effect to the provisions of the *Interest Act* (Canada)).

Section 3.4 Costs and Expenses.

The Guarantor is liable for and will pay on demand by the Secured Party any and all reasonable expenses, costs and charges incurred by or on behalf of the Secured Party in connection with this Guarantee, including all reasonable legal fees, courts costs, receivers or agent's remuneration and other expenses in connection with enforcing any of their rights under this Guarantee.

Section 3.5 Assignment and Postponement.

- (1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever and all security therefor (the "**Intercorporate Indebtedness**") are assigned and transferred to the Secured Party as

continuing and collateral security for the Guarantor's obligations under this Guarantee and postponed to the payment in full of all Obligations. Until the occurrence of an Event of Default that is continuing the Guarantor may receive payments in respect of the Intercompany Indebtedness as permitted under the Letter Agreement. The Guarantor will not assign all or any part of the Intercompany Indebtedness to any person other than the Secured Party.

- (2) Upon the occurrence and during the continuation of an Event of Default, all Intercompany Indebtedness will be held in trust for the Secured Party and will be collected, enforced or proved subject to, and for the purpose of, this Guarantee. In such event, any payments received by the Guarantor in respect of the Intercompany Indebtedness will be held in trust for the Secured Party and segregated from other funds and property held by the Guarantor and immediately paid to the Secured Party on account of the Obligations.
- (3) The Intercompany Indebtedness shall not be released or withdrawn by the Guarantor without the prior written consent of the Secured Party. The Guarantor will not allow a limitation period to expire on the Intercompany Indebtedness or ask for or obtain any security or negotiable paper for, or other evidence of, the Intercompany Indebtedness except for the purpose of delivering the same to the Secured Party.
- (4) In the event of any insolvency, bankruptcy or other proceeding involving the liquidation, arrangement, compromise, reorganization or other relief with respect to the Borrower or its debts, the Guarantor will, upon the request of the Secured Party, make and present a proof of claim or commence such other proceedings against the Borrower on account of the Intercompany Indebtedness as may be reasonably necessary to establish the Guarantor's entitlement to payment of any Intercompany Indebtedness. Such proof of claim or other proceeding must be made or commenced prior to the earlier of (i) the day which is 30 days after notice requesting such action is delivered by or on behalf of the Secured Party to the Guarantor, and (ii) the day which is 10 days preceding the date when such proof of claim or other proceeding is required by applicable law to be made or commenced. Such proof of claim or other proceeding must be in form and substance acceptable to the Secured Party.
- (5) If the Guarantor fails to make and file such proof of claim or commence such other proceeding in accordance with this Section, the Secured Party is irrevocably authorized, empowered and directed and appointed the true and lawful attorney of the Guarantor (but is not obliged) with the power to exercise for and on behalf of the Guarantor the following rights, upon the occurrence and during the continuance of an Event of Default: (i) to make and present for and on behalf of the Guarantor proofs of claims or other such

proceedings against the Borrower on account of the Intercompany Indebtedness, (ii) to demand, sue for, receive and collect any and all dividends or other payments or disbursements made in respect of the Intercompany Indebtedness in whatever form the same may be paid or issued and to apply the same on account of the Obligations, and (iii) to demand, sue for, collect and receive each such payment and distribution and give acquittance therefor and to file claims and take such other actions, in its own name or in the name of the Guarantor or otherwise, as the Secured Party may deem necessary or advisable to enforce its rights under this Guarantee.

- (6) The Guarantor will execute all subordinations, postponements, assignments and other agreements as the Secured Party may reasonably request to more effectively subordinate and postpone the Intercompany Indebtedness to the payment and performance of the Obligations.
- (7) The provisions of this Section 3.5 survive the termination of this Guarantee and remain in full force and effect until (i) the Obligations and all other amounts owing under the Loan Documents are repaid in full, and (ii) the Secured Party has no further obligations under any of the Loan Documents.

Section 3.6 Suspension of Guarantor Rights.

So long as there are any Obligations, the Guarantor will not exercise any rights which it may at any time have by reason of the performance of any of its obligations under this Guarantee (i) to be indemnified by the Borrower, (ii) to claim contribution from any other guarantor of the debts, liabilities or obligations of the Borrower, or (iii) subject to Section 3.8, to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Party under any of the Loan Documents.

Section 3.7 No Prejudice to Secured Party.

The Secured Party is not prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower or the Secured Party. The Secured Party may, at any time and from time to time, in such manner it determines is expedient, without any consent of, or notice to, the Guarantor and without impairing or releasing the obligations of the Guarantor (i) change the manner, place, time or terms of payment or performance of the Obligations, (ii) renew or alter the Obligations, (iii) amend, vary, modify, supplement or replace any Loan Document or any other related document or instrument, (iv) discontinue, reduce, renew, increase, abstain from renewing or otherwise vary any credit or credit facilities to, any transaction with, the Borrower or any other person, (v) release, compound or vary the liability of the Borrower or any other person liable in any manner under or in respect of the Obligations, (vi) take or abstain from taking securities or collateral from any other person, or from perfecting

securities or collateral of any other person, (vii) exercise or enforce or refrain from exercising or enforcing any right or security against the Borrower, the Guarantor or any other person, (viii) accept compromises or arrangement from any person, (ix) apply any sums from time to time received to the Obligations, or any part thereof, and change any such application in whole or in part from time to time, and (x) otherwise deal with, or waiver or modify their right to deal with, any person and security. In their dealings with the Borrower, the Secured Party need not enquire into the authority or power of any person purporting to act for or on behalf of the Borrower.

Section 3.8 No Subrogation

The Guarantor irrevocably waives any claim, remedy or other right which it may now have or hereafter acquire against the Borrower that arises from the existence, payment, performance or enforcement of the Guarantor's obligations under this Guarantee, including any right of subrogation, reimbursement, exoneration, indemnification or any right to participate in any claim or remedy of the Secured Party against the Borrower or any collateral which the Secured Party now has or hereafter acquires, whether or not such claim, remedy or other right is reduced to judgment or is liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, and whether or not such claim, remedy or other right arises in equity or under contract, statute or common law. The Guarantor further agrees that the Borrower is an intended third party beneficiary of the Guarantor's waiver contained in this Section 3.8. If any amount is paid to the Guarantor in violation of this Section and, at such time, the Secured Party's claims against the Borrower in respect of the Obligations have not been paid in full, any amount paid to the Guarantor is deemed to have been paid to the Guarantor for the benefit of, and held in trust for the Secured Party and will immediately be paid to the Secured Party to be credited and applied to such Obligations. The Guarantor acknowledges that it will receive direct and indirect benefits from the transactions contemplated by this Guarantee and that the waiver in this Section 3.8 is knowingly made in contemplation of such benefits.

Section 3.9 No Set-off.

To the fullest extent permitted by law, the Guarantor makes all payments under this Guarantee without regard to any defence, counter-claim or right of set-off available to it.

Section 3.10 Successors of the Borrower.

This Guarantee will not be revoked by any change in the constitution of the Borrower. This Guarantee and each of the Guarantor Security Documents extends to any person, firm or corporation acquiring, or from time to time carrying on, the business of the Borrower.

Section 3.11 Continuing Guarantee and Continuing Obligations.

The obligation of the Guarantor under Section 2.1 is a continuing guarantee, and the obligations of the Guarantor under Section 2.2 and Section 2.3 are continuing obligations. Each of Section 2.1, Section 2.2 and Section 2.3 extends to all present and future Obligations, applies to and secures the ultimate balance of the Obligations due or remaining due to the Secured Party and is binding as a continuing obligation of the Guarantor until the Secured Party releases such Guarantor. This Guarantee will continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Secured Party upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though the payment had not been made.

Section 3.12 Supplemental Security.

This Guarantee is in addition and without prejudice to and supplemental to all other guarantees, indemnities, obligations and security now held or which may hereafter be held by the Secured Party.

Section 3.13 Security for Guarantee.

The Guarantor acknowledges that this Guarantee is intended to secure payment and performance of the Obligations and that the payment and performance of the Obligations and the other obligations of the Guarantor under this Guarantee are secured pursuant to the terms and provisions of each of the Guarantor Security Documents.

Section 3.14 Right of Set-off.

Upon the occurrence and during the continuance of any Event of Default, the Secured Party is authorized by the Guarantor at any time and from time to time and may, to the fullest extent permitted by law, set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Secured Party to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing irrespective of whether or not (i) the Secured Party has made any demand under this Guarantee, or (ii) any of the obligations comprising the Obligations are contingent or unmatured. The rights of the Secured Party under this Section 3.14 are in addition and without prejudice to and supplemental to other rights and remedies which the Secured Party may have.

Section 3.15 Interest Act (Canada).

The Guarantor acknowledges that certain of the rates of interest applicable to the Obligations may be computed on the basis of a year of 365 days or 366 days, as the case may be and paid for the actual number of days elapsed. For purposes of the *Interest Act* (Canada), whenever any interest is calculated using a rate based on a

year of 365 days or 366 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to (i) the applicable rate based on a year of 365 days or 366 days, as the case may be, (ii) multiplied by the actual number of days in the calendar year in which the period for such interest is payable (or compounded) ends, and (iii) divided by 365 or 366, as the case may be.

ARTICLE 4

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.1 Representations and Warranties.

The Guarantor represents and warrants, acknowledging and confirming that that the Secured Party is relying on such representations and warranties in connection with the acceptance of this Guarantee, that:

- (a) **Incorporation and Qualification.** The Guarantor is a corporation incorporated and existing under the laws of the Province of Ontario.
- (b) **Corporate Power.** The Guarantor has the corporate power to (i) own, lease and operate its properties and assets and carry on its business as now being conducted by it, and (ii) enter into and perform its obligations under the Loan Documents to which the Guarantor is a party.
- (c) **Conflict with Other Instruments.** The execution and delivery by the Guarantor and the performance by the Guarantor of its obligations under, and compliance with the terms, conditions and provisions of, this Guarantee and each of the Loan Documents to which the Guarantor is a party will not (a) conflict with or result in a breach of any of the terms and conditions of (i) its constating documents or by laws or any applicable unanimous shareholders agreement, (ii) any applicable law, rule or regulation, (iii) any contractual restriction binding on or affecting it or its properties, including without limitation any agreement with respect to Funded Debt, or (iv) any judgment, injunction, determination or award which is binding on it, or (b) result in, require or permit the imposition of any encumbrance in, on or with respect to any of its assets or property (except in favour of the Secured Party).
- (d) **Corporate Action, Governmental Approvals, etc.** The execution and delivery of this Guarantee and each of the Loan Documents to which the Guarantor is a party by the Guarantor and the performance by the Guarantor of its obligations under this Guarantee and each of the Loan Documents to which the Guarantor is a party have been duly

authorized by all necessary corporate action including, without limitation, the obtaining of all necessary shareholder consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Entity or other person is necessary in connection with the execution, delivery and performance of obligations under this Guarantee or any of the Loan Documents to which the Guarantor is a party except as are in full force and effect, unamended, at the date of this Guarantee.

- (e) **Execution and Binding Obligation.** This Guarantee and the other Loan Documents to which the Guarantor is a party have been duly executed and delivered by the Guarantor and constitute legal, valid and binding agreements of it enforceable against it in accordance with their respective terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (f) **Authorized and Issued Capital.** The authorized and issued capital of the Guarantor is listed in Schedule "B".
- (g) **Letter Agreement Representations.** Each representation and warranty made by the Borrower in the Letter Agreement, to the extent it pertains to the Guarantor or any of its Subsidiaries, the Business of the Guarantor or any of its Subsidiaries or the Loan Documents to which the Guarantor or any of its Subsidiaries is a party, is true, accurate and complete in all respects.

Section 4.2 Survival of Representations and Warranties.

The representations and warranties in this Guarantee and in any certificates or documents delivered to the Secured Party shall survive the execution and delivery of this Guarantee and shall continue in full force and effect without time limit.

Section 4.3 Covenants.

Until the Obligations and all other amounts owing under this Guarantee are paid or repaid in full, the Obligations are performed in full and the Secured Party has no obligations under the Loan Documents, the Guarantor covenants and agrees that it will take, or will refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in the Letter Agreement, and so that no Default or Event of Default, is caused by the actions of the Guarantor or any of its Subsidiaries.

ARTICLE 5 GENERAL

Section 5.1 Notices, etc.

Any notice, direction or other communication required or permitted to be given under this letter agreement shall be in writing and given by delivering it or sending it by facsimile, email or other similar form of recorded or electronic communication addressed:

- (i) if to the Guarantor, to it at

615 Kumpf Dr, Suite 500, Waterloo, ON N2V 1K8

Attention: Steve Livingstone
Telephone: 519-340-1000 ext. 100
Email: slivingstone@ahainsurance.ca

- (ii) if to the Secured Party by email, to it at:

Email: generalcounsel.ca@aviva.com

if to the Secured Party other than by email, to it at:

10 Aviva Way, Suite 100, Markham, ON L6G 0G1

Attention: Chief Financial Officer
Telephone: 365-873-5966

With a copy to the same address:

Attention: General Counsel and Chief Legal Officer
Telephone: 365-873-5038

Any communication shall be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), or (ii) if transmitted by facsimile, email or similar means of recorded or electronic communication on the Business Day following the date of transmission. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.

Section 5.2 No Merger, Survival of Representations and Warranties.

The representations, warranties and covenants of the Guarantor in this Guarantee survive the execution and delivery of this Guarantee and each advance under the Letter Agreement. Notwithstanding any investigation made by or on behalf of the Secured Party, the representations, warranties and covenants in this Guarantee continue in full force and effect.

Section 5.3 Further Assurances.

- (1) The Guarantor will do all acts and things and execute and deliver, or cause to be executed and delivered, all documents and instruments that the Secured Party may request to give full effect to this Guarantee and to perfect and preserve the rights and powers of the Secured Party under this Guarantee, including any acknowledgements and confirmations of this Guarantee, each of the Guarantor Security Documents and any other Loan Documents to which the Guarantor is a party.
- (2) The Guarantor acknowledges and confirms that the Guarantor itself has established its own adequate means of obtaining from the Borrower on a continuing basis all information desired by the Guarantor concerning the financial condition of the Borrower and that the Guarantor will look to the Borrower and not to the Secured Party, in order to keep adequately informed of changes in the Borrower's financial condition.

Section 5.4 Successors and Assigns.

This Guarantee is binding upon the Guarantor, its successors and permitted assigns, and enures to the benefit of the Secured Party and its successors and assigns. This Guarantee may be assigned by the Secured Party without the consent of, or notice to, the Guarantor, to such person as the Secured Party may determine and, in such event, such person will be entitled to all of the rights and remedies of the Secured Party as set forth in this Guarantee or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Guarantor shall not assert against the assignee any claim or defence which the Guarantor now has or may have against the Secured Party. The Guarantor may not assign, transfer or delegate any of its rights or obligations under this Guarantee without the prior written consent of the Secured Party which may be unreasonably withheld.

Section 5.5 Amendment.

This Guarantee may only be amended, supplemented or otherwise modified by written agreement executed by the Secured Party and the Guarantor affected by such amendment, supplement or modification.

Section 5.6 Waivers, etc.

- (1) No consent or waiver by the Secured Party in respect of this Guarantee is binding unless made in writing and signed by an authorized officer of the Secured Party. Any consent or waiver given under this Guarantee is effective only in the specific instance and for the specific purpose for which it is given. No waiver of any of the provisions of this Guarantee constitutes a waiver of any other provision.
- (2) A failure or delay on the part of the Secured Party in exercising a right under this Guarantee does not operate as a waiver of, or impair, any right of the Secured Party however arising. A single or partial exercise of a right on the part of the Secured Party does not preclude any other or further exercise of that right or the exercise of any other right by the Secured Party.

Section 5.7 Severability.

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

Section 5.8 Application of Proceeds.

All monies collected by the Secured Party under this Guarantee will be applied as provided in the Letter Agreement. To the extent any other Loan Document requires proceeds of collateral under such Loan Document to be applied in accordance with the provisions of this Guarantee, the Secured Party or holder under such other Loan Document shall apply such proceeds in accordance with this Section.

Section 5.9 Governing Law.

This Guarantee will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 5.10 Electronic Execution.

The Guarantor may deliver electronically an executed copy of this Guarantee and such electronic copy shall be deemed to be an original.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Guarantor has executed this Limited Recourse Guarantee.

IGNITE HOLDINGS INC.

By:



Name: Stephen D. Livingstone
Title: Director and President

SCHEDULE "A"
GUARANTOR SECURITY DOCUMENTS

1. Securities Pledge Agreement among the Guarantor and the Secured Party dated the date hereof.

SCHEDULE "B"
AUTHORIZED AND ISSUED CAPITAL

<u>Issuer</u>	<u>Class of Securities</u>	<u>Number of authorized Securities</u>	<u>Number of issued and outstanding Securities</u>	<u># of Securities, Registered in the name of</u>
Ignite Holdings Inc.	Class A Common	Unlimited	880,000	880,000, Ignite Canada Holdings Limited
Ignite Holdings Inc.	Class B Common	Unlimited	120,000	120,000, Katstan & Co. Inc.
Ignite Holdings Inc.	Class C Convertible	Unlimited	173,333	173,333, Katstan & Co. Inc.
Ignite Holdings Inc.	Preferred	Unlimited	12,000,000	12,000,000, Ignite Holdings Limited

EXHIBIT "J"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:
Ravira Hammad
3CCD226759524E3...

Commissioner for Taking Affidavits

IGNITE SERVICES INC.

as Obligor

and

AVIVA INSURANCE COMPANY OF CANADA

as Secured Party

SECURITY AGREEMENT

November 15, 2021

SECURITY AGREEMENT

Security agreement dated as of November 15, 2021 made to and in favour of Aviva Insurance Company of Canada by Ignite Services Inc.

RECITALS:

- (a) The Secured Party has agreed to make a certain credit facility available to the Obligor on the terms and conditions contained in the Letter Agreement; and
- (b) It is a condition precedent to the extension of credit to the Obligor under the Letter Agreement that the Obligor executes and delivers this Agreement to and in favour of the Secured Party as security for the payment and performance of the Obligor's obligations to the Secured Party under the Letter Agreement and the other Loan Documents to which it is a party.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Obligor agrees as follows.

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

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

"Agreement" means this security agreement, as amended, modified, replaced, restated or supplemental from time to time.

"Collateral" has the meaning specified in Section 2.1.

"Expenses" has the meaning specified in Section 2.2(b).

"Instruments" means (i) a bill, note or cheque within the meaning of the *Bills of Exchange Act* (Canada) or any other writing that evidences a right to the payment of money and is of a type that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment, or (ii) a letter of credit and an advice of credit if the letter or advice states that it must be surrendered upon claiming payment thereunder, or (iii) chattel paper or any other writing that evidences both a monetary obligation and a security interest in or a lease of specific goods, or (iv) documents of title or any other writing that purports to be issued by or addressed to a bailee and purports to cover such goods in the bailee's possession as are identified or fungible portions of an identified mass, and that in the ordinary course of business is treated as establishing that the person in possession of it is

entitled to receive, hold and dispose of the document and the goods it covers, or (v) any document or writing commonly known as an instrument, but excludes investment property.

"Intellectual Property" means domestic and foreign: (i) patents, applications for patents and reissues; (ii) proprietary and non-public business information, including inventions (whether patentable or not), trade secrets, confidential information, know-how, customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (v) computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs; and (vi) any other intellectual property and industrial property.

"Letter Agreement" means the letter loan agreement dated as of the date hereof, between the Obligor and the Secured Party as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement to refinance or restructure all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Secured Party.

"Loan Documents" means the Letter Agreement, this Agreement and each other Loan Document (as such term is defined in the Letter Agreement).

"Obligor" means Ignite Services Inc., a corporation incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

"PPSA" means the *Personal Property Security Act* (Ontario) and equivalent legislation applicable in any other Province or Territory.

"Registrable Intellectual Property" means any Intellectual Property in respect of which ownership, title, security interests, charges or encumbrances are capable of registration, recording or notation with any Governmental Entity pursuant to applicable laws.

"Secured Party" means Aviva Insurance Company of Canada and its successors and assigns.

"Secured Obligations" has the meaning specified in Section 2.2(a).

"Securities" means securities as defined in the STA, but excludes any ULC Shares.

"Security Documents" at any time means the agreements, documents and instruments described in Schedule "A" of the Letter Agreement and each additional agreement, document and instrument delivered to the Secured Party as security for the debts, liabilities and obligations owing by the Obligor to the Secured Party.

"Security Interest" has the meaning specified in Section 2.2.

"STA" means the *Securities Transfer Act* (Ontario).

"ULC Shares" means shares in any unlimited company or unlimited liability corporation at any time owned or otherwise held by the Obligor.

Section 1.2 Interpretation.

- (1) Terms defined in the PPSA or the STA and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Letter Agreement.
- (2) Any reference in any Loan Document to Liens permitted by the Letter Agreement and any right of the Obligor to create or suffer to exist Liens permitted by the Letter Agreement are not intended to and do not and will not subordinate the Security Interest to any such Lien or give priority to any person over the Secured Party.
- (3) In this Agreement the words **"including"**, **"includes"** and **"include"** mean **"including (or includes or include) without limitation"**. The expressions **"Article"**, **"Section"** and other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Agreement.
- (4) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (5) The division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (6) The schedules attached to this Agreement form an integral part of it for all purposes of it.
- (7) Any reference to this Agreement, any Loan Document or any Security Document refers to this Agreement or such Loan Document or Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. 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 or re-enacted.

ARTICLE 2 SECURITY

Section 2.1 Grant of Security.

Subject to Section 2.3, the Obligor grants to the Secured Party, a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Secured Party, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “**Collateral**”) including all of the Obligor’s:

- (a) present and after-acquired personal property;
- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets and investment property;
- (f) securities accounts, including the securities accounts listed in Schedule “A”, and all of the credit balances, securities entitlements, other financial assets and items or property (or their value) standing to the credit from time to time in such securities accounts;
- (g) Instruments and Securities, including the Instruments and Securities listed in Schedule “A”;
- (h) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;

- (i) Intellectual Property including the Registrable Intellectual Property listed in Schedule "B";
- (j) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2.1(a) through Section 2.1(i) inclusive; and
- (k) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2.1(a) through Section 2.1(j) inclusive, including the proceeds of such proceeds.

Section 2.2 Secured Obligations.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by the Obligor (collectively, the "**Security Interest**") secures the payment and performance of:

- (a) 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 Obligor to the Secured Party in any currency, however or wherever incurred, and whether incurred by the Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the "**Secured Obligations**"); and
- (b) all expenses, costs and charges incurred by or on behalf of the Secured Party in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Secured Party's interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Loan Document (collectively, the "**Expenses**").

Section 2.3 Attachment.

- (1) The Obligor acknowledges that (i) value has been given, (ii) it has rights in the Collateral (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, (iv) it has received a copy of this Agreement, and (v) it waives receipt of a copy of all PPSA registrations.

- (2) The Obligor delivers to and deposits with the Secured Party any and all certificates evidencing the Securities listed in Schedule "A", together with, in each case, a stock power duly endorsed in blank for transfer and grants control over such Securities to the Secured Party.
- (3) If the Obligor (i) acquires any Securities, (ii) acquires any other financial assets that have not been credited to a securities account specified in Schedule "A", (iii) acquires any Instruments, or (iv) establishes or maintains a securities account that is not specified in Schedule "A", the Obligor will notify the Secured Party in writing and provide the Secured Party with a revised Schedule "A" recording the acquisition or establishment of and particulars relating to such Securities, financial assets, Instruments or securities account within fifteen (15) days after such acquisition. The Obligor will also promptly inform the Secured Party in writing of the acquisition by the Obligor of any ULC Shares.
- (4) At the request of the Secured Party, the Obligor will take all action that the Secured Party deems advisable to cause the Secured Party to have control over any Securities or other investment property that are now or at any time become Collateral of the Obligor, including (i) causing the Collateral of the Obligor to be transferred to or registered in the name of the Secured Party or its nominee or otherwise as the Secured Party may direct, (ii) endorsing any certificated Securities to the Secured Party or in blank by an effective endorsement, (iii) delivering the Collateral of the Obligor to the Secured Party or someone on its behalf as the Secured Party may direct, (iv) delivering to the Secured Party any and all consents or other documents or agreements which may be necessary to effect the transfer of any Collateral of the Obligor to the Secured Party or any third party, and (v) entering into control agreements with the Secured Party and the applicable securities intermediary or issuer in respect of any Collateral of the Obligor in form and substance satisfactory to the Secured Party.
- (5) At the request of the Secured Party, the Obligor will (i) deliver to and deposit with the Secured Party the Instruments listed in Schedule "A", (ii) cause the transfer of any Instruments to the Secured Party to be registered wherever such registration may be required or advisable in the opinion of the Secured Party, (iii) endorse any Instruments to the Secured Party or in blank or register them in the name of the Secured Party or its nominee or otherwise as the Secured Party may direct, and (iv) deliver to the Secured Party any and all consents or other documents that may be necessary to effect the transfer of any Instruments to the Secured Party or any third party.
- (6) The Obligor will promptly notify the Secured Party in writing of the acquisition by the Obligor of any Registrable Intellectual Property. The

Obligor will provide the Secured Party with a revised Schedule "B" recording the acquisition and particulars of such additional Intellectual Property.

- (7) The Security Interest with respect to trade-marks constitutes a security interest in, and a charge, hypothecation and pledge of, such Collateral in favour of the Secured Party, but does not constitute an assignment or mortgage of such Collateral to the Secured Party.
- (8) The Security Interest does not extend to consumer goods or ULC Shares.
- (9) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Secured Party may reasonably direct.

Section 2.4 Grant of Licence to Use Intellectual Property.

- (1) At such time as the Secured Party is lawfully entitled to exercise its rights and remedies under Article 3, the Obligor grants to the Secured Party an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any Intellectual Property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section is to enable the Secured Party to exercise its rights and remedies under Article 3 and for no other purpose.
- (2) The Secured Party acknowledges that the standard of quality for the use, assignment or sublicensing of Intellectual Property of the Obligor shall be no less than the standard of quality employed by the Obligor as of the day before the exercise of rights and remedies under Article 3 by the Secured Party in conjunction with wares and/or services sold in association with such Intellectual Property.

Section 2.5 Care and Custody of Collateral.

- (1) The Secured Party has no obligation to keep Collateral in its possession identifiable.
- (2) The Secured Party may, after the Security Interest is enforceable (i) notify any person obligated on an Instrument, Security or account to make payments to the Secured Party, whether or not the Obligor was previously making collections on such accounts, chattel paper, instruments, and (ii) assume control of any proceeds arising from the Collateral.

- (3) The Secured Party has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Securities or Instruments. The Secured Party has no obligation to protect or preserve any Securities or Instruments from depreciating in value or becoming worthless and is released from all responsibility for any loss of value. In the physical keeping of any Securities, the Secured Party is only obliged to exercise the same degree of care as it would exercise with respect to its own Securities kept at the same place.

Section 2.6 Rights of the Obligor.

- (1) Until the Security Interest is enforceable, the Obligor is entitled to vote the Securities that are part of the Collateral and to receive all dividends and distributions on such Securities. Whenever the Security Interest is enforceable, all rights of the Obligor to vote (under any proxy given by the Secured Party (or its nominee) or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Secured Party.
- (2) Any distributions or dividends received by the Obligor contrary to Section 2.6(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Secured Party and shall be immediately paid over to the Secured Party.

Section 2.7 Expenses.

The Obligor is liable for and will pay on demand by the Secured Party any and all Expenses.

ARTICLE 3 ENFORCEMENT

Section 3.1 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 3.2 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;

- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Securities and Instruments as if the Secured Party were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Secured Party or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any Intellectual Property for such term and on such conditions and in such manner as the Secured Party in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such Intellectual Property);
- (i) instruction to any bank which has entered into a control agreement with the Secured Party to transfer all moneys, Securities and Instruments held by such depository bank to an account maintained with or by the Secured Party;
- (j) application of any moneys constituting Collateral or proceeds thereof in accordance with Section 5.11;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;
- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 3.3 Additional Rights.

In addition to the remedies set forth in Section 3.2 and elsewhere in this Agreement, whenever the Security Interest is enforceable, the Secured Party may:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Secured Party the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Lien against any Collateral (the Obligor will immediately on demand reimburse the Secured Party for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Secured Party sees fit, free of charge, and the Secured Party is not liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any

part of the accounts or any other obligation of any third party to the Obligor; and

- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Secured Party, the Secured Party may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 3.4 Exercise of Remedies.

The remedies under Section 3.2 and Section 3.3 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Secured Party however arising or created. The Secured Party is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Secured Party in respect of the Secured Obligations including the right to claim for any deficiency.

Section 3.5 Receiver's Powers.

- (1) Any receiver appointed by the Secured Party is vested with the rights and remedies which could have been exercised by the Secured Party in respect of the Obligor or the Collateral of the Obligor and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration are within the sole and unfettered discretion of the Secured Party.
- (2) Any receiver appointed by the Secured Party will act as agent for the Secured Party for the purposes of taking possession of the Collateral of the Obligor, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral of the Obligor as agent for the Obligor or as agent for the Secured Party as the Secured Party may determine in its discretion. The Obligor agrees to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Secured Party, in appointing or refraining from appointing any receiver, does not incur liability to the receiver, the Obligor or otherwise and is not responsible for any misconduct or negligence of such receiver.

Section 3.6 Appointment of Attorney.

The Obligor hereby irrevocably constitutes and appoints the Secured Party (and any officer of the Secured Party) the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Secured Party has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Secured Party, its nominees or transferees, and the Secured Party and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns. The Obligor authorizes the Secured Party to delegate in writing to another person any power and authority of the Secured Party under this power of attorney as may be necessary or desirable in the opinion of the Secured Party, and to revoke or suspend such delegation.

Section 3.7 Dealing with the Collateral.

- (1) The Secured Party is not obliged to exhaust its recourse against the Obligor or any other person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral of the Obligor in such manner as the Secured Party may consider desirable.
- (2) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Secured Party in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Secured Party is not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 3.8 Standards of Sale.

Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral of the Obligor may be disposed of in whole or in part;
- (b) the Collateral of the Obligor may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Secured Party or a customer of any such person;
- (d) any sale conducted by the Secured Party will be at such time and place, on such notice and in accordance with such procedures as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Collateral of the Obligor may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral of the Obligor) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of the Collateral of the Obligor may be on such terms and conditions as to credit or otherwise as the Secured Party, in its sole discretion, may deem advantageous; and
- (g) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral of the Obligor.

Section 3.9 Dealings by Third Parties.

- (1) No person dealing with the Secured Party or an agent or receiver is required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Secured Party by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of

any sale or other dealing by the Secured Party with the Collateral, or (vi) how any money paid to Secured Party has been applied.

- (2) Any bona fide purchaser of all or any part of the Collateral from the Secured Party or any receiver or agent will hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

ARTICLE 4 REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.1 General Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Secured Party is relying on such representations, warranties, covenants and agreements, that:

- (a) **Continuous Perfection.** Schedule "C" sets out the Obligor's place of business or, if more than one, the Obligor's chief executive office. Such place of business or chief executive office, as the case may be, has been located at such address for the sixty (60) days immediately preceding the date of this Agreement. Schedule "C" also sets out the address at which the books and records of the Obligor are located, the address at which senior management of the Obligor are located and conduct their deliberations and make their decisions with respect to the business of the Obligor and the address from which the invoices and accounts of the Obligor are issued. The Obligor will not change the location of any of these items, people or addresses without providing at least thirty (30) days prior written notice to the Secured Party. Except for sales of inventory made in the ordinary course of business, the Collateral, to the extent not delivered to the Secured Party pursuant to Section 2.3(2), has been kept for the sixty (60) days immediately preceding the date of this Agreement and will be kept at those locations listed on Schedule "C", and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Secured Party. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Secured Party.
- (b) **Restriction on Disposition.** The Obligor will not sell, assign, convey, exchange, lease, release or abandon, or otherwise dispose of, any Collateral except as expressly permitted in the Letter Agreement.

- (c) **Negative Pledge.** The Obligor will not create or suffer to exist, any Lien on the Collateral, except for Permitted Liens.
- (d) **Account Debtors.** None of the account debtors in respect of any accounts, chattel paper or intangibles and none of the obligors in respect of any Instruments included in the Collateral is (i) a Governmental Entity, or (ii) in the case of any account in excess of \$50,000, is located outside of Canada or the United States of America.
- (e) **Securities and Instruments.**
 - (i) Schedule "A" lists all Securities, Instruments and securities accounts owned or held by the Obligor on the date of this Agreement.
 - (ii) Securities and Instruments that are Collateral have been, where applicable, duly and validly issued and acquired and are fully paid and non-assessable. Schedule "A" sets out, for each class of Securities listed in the schedule, the percentage amount that such Securities represent of all issued and outstanding Securities of that class.
 - (iii) Except as described in Schedule "A", no transfer restrictions apply to the Securities and Instruments listed in Schedule "A". The Obligor has delivered to the Secured Party copies of all shareholder, partnership or trust agreements applicable to each issuer of such Securities and Instruments which are in the Obligor's possession or control.
 - (iv) No person has or will have any written or oral option, warrant, right, call, commitment, conversion right, right of exchange or other agreement or any right or privilege (whether by law, preemptive or contractual) capable of becoming an option, warrant, right, call, commitment, conversion right, right of exchange or other agreement to acquire any right or interest in any of the Securities and Instruments that are Collateral.
 - (v) The Securities and Instruments that are Collateral constitute, where applicable, the legal, valid and binding obligation of the Obligor of such Securities and Instruments, enforceable in accordance with their terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, fraudulent conveyance, arrangement, reorganization or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies.

- (vi) The pledge, assignment and delivery to the Secured Party of the Collateral consisting of certificated Securities pursuant to this Agreement creates a valid and perfected first ranking security interest in such certificated Securities, and the proceeds of them. Such Securities and the proceeds from them are not subject to any prior Lien or any agreement purporting to grant to any third party a Lien on the property or assets of the Obligor which would include the Securities. The Secured Party is entitled to all the rights, priorities and benefits afforded by the PPSA or other relevant personal property security legislation as enacted in any relevant jurisdiction to perfect security interests in respect of such Collateral.
- (vii) The Obligor will not establish and maintain any securities account without providing at least thirty (30) days prior written notice to the Secured Party and complying, to the extent required, with Section 2.3(3).
- (f) **Status of Accounts Collateral.** The Obligor will maintain books and records pertaining to the Collateral of the Obligor in such detail, form and scope as the Secured Party reasonably requires, and keep all originals of the chattel paper which evidence accounts at locations specified on Schedule "C". The Obligor will immediately notify the Secured Party if any account in excess of \$50,000 arises out of contracts with any Governmental Entity, and execute any instruments and take any steps required by the Secured Party in order that all moneys due or to become due under the contract are assigned to the Secured Party and notice of such assignment is given to the Governmental Entity. The Obligor will also immediately notify the Secured Party if any account in excess of \$50,000 is with an account debtor located outside of Canada or the United States of America.
- (g) **Intellectual Property.**
 - (i) Schedule "B" lists all Registrable Intellectual Property that is owned by the Obligor on the date of this Agreement.
 - (ii) All Registrable Intellectual Property of the Obligor is valid, subsisting, unexpired and enforceable, has not been abandoned and does not infringe the Intellectual Property rights of any other person.
 - (iii) No decision or judgment has been rendered by any Governmental Entity which would limit, cancel or question the

validity of, or the Obligor's rights in, any Intellectual Property in any respect.

- (iv) No action or proceeding is pending, or, to the knowledge of the Obligor, threatened, on the date hereof seeking to limit, cancel or question the validity of any Intellectual Property or the Obligor's ownership interest therein, or which, if adversely determined, would have a Material Adverse Effect on the value of any Intellectual Property.
- (v) The Obligor will take all reasonable and necessary steps, including in any proceeding before the Canadian Intellectual Property Office or any similar Governmental Entity of any jurisdiction, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Registrable Intellectual Property, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.
- (vi) In the event that any material Intellectual Property of the Obligor is infringed, misappropriated or diluted by a third party, the Obligor will (i) take such actions as the Obligor reasonably deems appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Secured Party after it learns thereof and sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution.
- (vii) Immediately upon the request of the Secured Party, the Obligor will furnish the Secured Party in writing the description of all Registrable Intellectual Property or applications for Registrable Intellectual Property of the Obligor. In addition, the Obligor will deliver to the Secured Party a copy of the certificate of registration of, or application for, such Registrable Intellectual Property with a Confirmation of Security Interest in the form of Schedule "D" in respect of such Registrable Intellectual Property confirming the assignment for security of such Registrable Intellectual Property to the Secured Party and immediately make all such filings, registrations and recordings as are necessary or appropriate to perfect the Security Interest granted to the Secured Party in the Registrable Intellectual Property.

- (h) **Additional Security Perfection and Protection of Security Interest.** The Obligor will grant to the Secured Party, security interests, assignments, mortgages, charges, hypothecations and pledges in such property and undertaking of the Obligor that is not subject to a valid and perfected first ranking security interest (subject only to Permitted Liens) constituted by the Security Documents, in each relevant jurisdiction as determined by the Secured Party. The Obligor will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are requested by the Secured Party at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the Security Interest relative to the Collateral of the Obligor including: (i) executing, recording and filing of financing or other statements, and paying all taxes, fees and other charges payable, (ii) placing notations on its books of account to disclose the Security Interest, (iii) delivering acknowledgements, confirmations and subordinations that may be necessary to ensure that the Security Documents constitute a valid and perfected first ranking security interest (subject only to Permitted Liens), (iv) executing and delivering any agreements, documents and instruments to comply with the STA and (v) delivering opinions of counsel in respect of matters contemplated by this paragraph. The documents and opinions contemplated by this paragraph must be in form and substance satisfactory to the Secured Party.

ARTICLE 5 GENERAL

Section 5.1 Notices.

Any notices, directions or other communications provided for in this Agreement must be in writing and given in accordance with the Letter Agreement.

Section 5.2 Discharge.

The Security Interest will not be discharged except by a written release or discharge signed by the Secured Party. The Obligor will be entitled to require a discharge by notice to the Secured Party upon, but only upon, (i) full and indefeasible payment and performance of the Secured Obligations and (ii) the Secured Party having no obligations under any Loan Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Secured Party will execute and deliver to the Obligor such financing statements and other documents or instruments as the Obligor may reasonably require and the Secured Party will redeliver to the Obligor, or as the Obligor may otherwise direct the Secured Party, any Collateral in its possession.

Section 5.3 No Merger, Survival of Representations and Warranties.

This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Secured Party will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Secured Party in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances under the Letter Agreement. Notwithstanding any investigation made by or on behalf of the Secured Party these covenants, representations and warranties continue in full force and effect.

Section 5.4 Further Assurances.

The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Secured Party may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Secured Party may require, including such requirements pursuant to the STA for (i) protecting the Collateral, (ii) perfecting the Security Interest, and (iii) exercising all powers, authorities and discretions conferred upon the Secured Party. After the Security Interest becomes enforceable, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Secured Party may require for facilitating the sale or other disposition of the Collateral in connection with its realization.

Section 5.5 Supplemental Security.

This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Secured Party.

Section 5.6 Successors and Assigns.

This Agreement is binding on the Obligor and its successors and assigns, and enures to the benefit of the Secured Party and its successors and assigns. This Agreement may be assigned by the Secured Party in connection with an assignment by the Secured Party of the Letter Agreement in accordance therewith. In any action brought by an assignee to enforce any such right or remedy, the Obligor will not assert against the assignee any claim or defence which the Obligor now has or may have against the Secured Party. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Secured Party which may be unreasonably withheld.

Section 5.7 Amalgamation.

The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest (i) subject to Section 2.3, extends to: (A) all of the property and undertaking that any of the amalgamating corporations then owns, (B) all of the property and undertaking that the amalgamated corporation thereafter acquires, (C)

all of the property and undertaking in which any of the amalgamating corporations then has any interest and (D) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (ii) secures the payment and performance of 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 each of the amalgamating corporations and the amalgamated corporation to the Secured Party in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Obligor**” means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Collateral**” means all of the property and undertaking and interests described in (i) above, and the defined term “**Secured Obligations**” means the obligations described in (ii) above.

Section 5.8 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 5.9 Amendment.

This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Secured Party and the Obligor affected by such amendment, supplement or modification.

Section 5.10 Waivers, etc.

- (1) No consent or waiver by the Secured Party in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Secured Party. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which it is given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision.
- (2) A failure or delay on the part of the Secured Party in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Secured Party however arising. A single or partial exercise of a right on the part of the Secured Party does not preclude any other or further exercise of that right or the exercise of any other right by the Secured Party.

Section 5.11 Application of Proceeds of Security.

All monies collected by the Secured Party upon the enforcement of its rights and remedies under the Security Documents and the Liens created by them including any sale or other disposition of the Collateral, together with all other monies received by the Secured Party under the Security Documents, will be applied as provided in the Letter Agreement. To the extent any other Loan Document requires proceeds of collateral under such Loan Document to be applied in accordance with the provisions of this Agreement, the Secured Party shall apply such proceeds in accordance with this Section.

Section 5.12 Governing Law.

This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 5.13 Electronic Execution.

The Obligor may deliver electronically, or by facsimile an executed copy of this Agreement and such electronic or facsimile copy shall be deemed to be an original.

IN WITNESS WHEREOF the Obligor has executed this Agreement.

IGNITE SERVICES INC.

Per:



Name: Stephen D. Livingstone
Title: President and Secretary

SCHEDULE "A"
INSTRUMENTS AND SECURITIES

**SECURITY AGREEMENT DATED NOVEMBER 15, 2021 MADE BY IGNITE
SERVICES INC. IN FAVOUR OF
AVIVA INSURANCE COMPANY OF CANADA**

AS AT NOVEMBER 15, 2021

SECURITIES

Nil.

SECURITIES ACCOUNTS

Nil.

INSTRUMENTS

Nil.

TRANSFER RESTRICTIONS

Not applicable.

SCHEDULE "B"
INTELLECTUAL PROPERTY

The following trademarks:

1. AHA INSURANCE, registration number TMA1016741.
2. AHA INSURANCE & Design, registration number TMA1011122.

SCHEDULE "C"
LOCATIONS OF COLLATERAL

Chief Executive Office:

Ontario

Locations of Collateral and Places of Business:

Ontario

Locations of Books and Records:

Ontario

Locations of Senior Management:

Ontario

Address from which Invoices and Accounts are sent:

Ontario

SCHEDULE D
FORM OF CONFIRMATION OF SECURITY INTEREST IN INTELLECTUAL
PROPERTY

WHEREAS:

Ignite Services Inc. (the “**Obligor**”), a corporation incorporated and existing under the laws of the Province of Ontario, with offices at 615 Kumpf Dr, Suite 500, Waterloo, ON N2V 1K8, is the owner of the **[trade-marks/patents/copyrights/industrial designs]** set forth in Exhibit A hereto, the registrations and applications for the **[trade-marks/patents/copyrights/industrial designs]** identified therein and the underlying goodwill associated with such **[trade-marks/patents/copyrights/industrial designs]** (collectively, the “**[Trade-Marks/ Patents/Copyrights/Industrial Designs]**”); and

Aviva Insurance Company of Canada (the “**Secured Party**”), with offices at 10 Aviva Way, Suite 100, Markham, Ontario L6G 0G1, has entered into a security agreement with the Obligor dated November 15, 2021 (the “**Security Agreement**”) by which the Obligor granted to the Secured Party, a security interest in certain property, including the **[Trade-Marks/Patents/Copyrights/ Industrial Designs]**, in consideration of the provision of a certain credit facility made available to the Obligor;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged and in accordance with the terms and obligations set forth in the Security Agreement, the Obligor confirms the grant to the Secured Party of a security interest in and to the **[Trade-Marks/Patents/Copyrights/Industrial Designs]**.

DATED at ● on this **[●]** day of **[●]**, **[●]**.

IGNITE SERVICES INC.

Per:

Name:

Title:

DATED at ● on this **[●]** day of **[●]**, **[●]**, before me appeared and the person who signed this instrument, who acknowledged that **[he/she]** signed it as a free act on **[his/her]** behalf or on behalf of the corporation identified and referred to herein as the Obligor.

[Signature of Notary Public/Witness]

EXHIBIT A
TRADE-MARKS/PATENTS/COPYRIGHTS/INDUSTRIAL DESIGNS

IGNITE INSURANCE CORPORATION

as Obligor

and

AVIVA INSURANCE COMPANY OF CANADA

as Secured Party

SECURITY AGREEMENT

November 15, 2021

SECURITY AGREEMENT

Security agreement dated as of November 15, 2021 made to and in favour of Aviva Insurance Company of Canada by Ignite Insurance Corporation.

RECITALS:

- (a) The Secured Party has agreed to make a certain credit facility available to the Borrower on the terms and conditions contained in the Letter Agreement;
- (b) The Obligor has guaranteed the payment and performance of the Borrower's obligations under the Letter Agreement and the other Loan Documents pursuant to the Guarantee; and
- (c) It is a condition precedent to the extension of credit to the Borrower under the Letter Agreement that the Obligor executes and delivers this Agreement to and in favour of the Secured Party as security for the payment and performance of the Obligor's obligations to the Secured Party under the Guarantee.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Obligor agrees as follows.

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

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

"Agreement" means this security agreement, as amended, modified, replaced, restated or supplemented from time to time.

"Borrower" means Ignite Services Inc., a corporation incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

"Collateral" has the meaning specified in Section 2.1.

"Expenses" has the meaning specified in Section 2.2(b).

"Guarantee" means the guarantee of even date herewith between the Obligor and the Secured Party, as amended, modified, replaced, restated or supplemented from time to time.

“Instruments” means (i) a bill, note or cheque within the meaning of the *Bills of Exchange Act* (Canada) or any other writing that evidences a right to the payment of money and is of a type that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment, or (ii) a letter of credit and an advice of credit if the letter or advice states that it must be surrendered upon claiming payment thereunder, or (iii) chattel paper or any other writing that evidences both a monetary obligation and a security interest in or a lease of specific goods, or (iv) documents of title or any other writing that purports to be issued by or addressed to a bailee and purports to cover such goods in the bailee’s possession as are identified or fungible portions of an identified mass, and that in the ordinary course of business is treated as establishing that the person in possession of it is entitled to receive, hold and dispose of the document and the goods it covers, or (v) any document or writing commonly known as an instrument, but excludes investment property.

“Intellectual Property” means domestic and foreign: (i) patents, applications for patents and reissues; (ii) proprietary and non-public business information, including inventions (whether patentable or not), trade secrets, confidential information, know-how, customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (v) computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs; and (vi) any other intellectual property and industrial property.

“Letter Agreement” means the letter loan agreement dated as of the date hereof, between the Borrower and the Secured Party as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement to refinance or restructure all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Secured Party.

“Loan Documents” means the Letter Agreement, this Agreement and each other Loan Document (as such term is defined in the Letter Agreement).

“Obligor” means Ignite Insurance Corporation, a corporation incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

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

“Registrable Intellectual Property” means any Intellectual Property in respect of which ownership, title, security interests, charges or encumbrances are capable of registration, recording or notation with any Governmental Entity pursuant to applicable laws.

“Secured Party” means Aviva Insurance Company of Canada and its successors and assigns.

“Secured Obligations” has the meaning specified in Section 2.2(a).

“Securities” means securities as defined in the STA, but excludes any ULC Shares.

“Security Documents” at any time means the agreements, documents and instruments described in Schedule “A” of the Letter Agreement and each additional agreement, document and instrument delivered to the Secured Party as security for the debts, liabilities and obligations owing by each of the Obligors to the Secured Party.

“Security Interest” has the meaning specified in Section 2.2.

“STA” means the *Securities Transfer Act* (Ontario).

“ULC Shares” means shares in any unlimited company or unlimited liability corporation at any time owned or otherwise held by the Obligor.

Section 1.2 Interpretation.

- (1) Terms defined in the PPSA or the STA and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Letter Agreement.
- (2) Any reference in any Loan Document to Liens permitted by the Letter Agreement and any right of the Obligor to create or suffer to exist Liens permitted by the Letter Agreement are not intended to and do not and will not subordinate the Security Interest to any such Lien or give priority to any person over the Secured Party.
- (3) In this Agreement the words **“including”, “includes” and “include”** mean **“including (or includes or include) without limitation”**. The expressions **“Article”, “Section”** and other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Agreement.
- (4) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.

- (5) The division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (6) The schedules attached to this Agreement form an integral part of it for all purposes of it.
- (7) Any reference to this Agreement, any Loan Document or any Security Document refers to this Agreement or such Loan Document or Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. 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 or re-enacted.

ARTICLE 2 SECURITY

Section 2.1 Grant of Security.

Subject to Section 2.3, the Obligor grants to the Secured Party, a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Secured Party, all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the **"Collateral"**) including all of the Obligor's:

- (a) present and after-acquired personal property;
- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related records, files, charts, plans, drawings, specifications, manuals and documents;
- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;

- (e) money, documents of title, chattel paper, financial assets and investment property;
- (f) securities accounts, including the securities accounts listed in Schedule "A", and all of the credit balances, securities entitlements, other financial assets and items or property (or their value) standing to the credit from time to time in such securities accounts;
- (g) Instruments and Securities, including the Instruments and Securities listed in Schedule "A";
- (h) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (i) Intellectual Property including the Registrable Intellectual Property listed in Schedule "B";
- (j) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2.1(a) through Section 2.1(i) inclusive; and
- (k) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2.1(a) through Section 2.1(j) inclusive, including the proceeds of such proceeds.

Section 2.2 Secured Obligations.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by the Obligor (collectively, the "**Security Interest**") secures the payment and performance of:

- (a) 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 Obligor to the Secured Party in any currency, however or wherever incurred, and whether incurred by the Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the "**Secured Obligations**") and
- (b) all expenses, costs and charges incurred by or on behalf of the Secured Party in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting,

selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Secured Party's interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Loan Document (collectively, the "Expenses").

Section 2.3 Attachment.

- (1) The Obligor acknowledges that (i) value has been given, (ii) it has rights in the Collateral (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, (iv) it has received a copy of this Agreement, and (v) it waives receipt of a copy of all PPSA registrations.
- (2) The Obligor delivers to and deposits with the Secured Party any and all certificates evidencing the Securities listed in Schedule "A", together with, in each case, a stock power duly endorsed in blank for transfer and grants control over such Securities to the Secured Party.
- (3) If the Obligor (i) acquires any Securities, (ii) acquires any other financial assets that have not been credited to a securities account specified in Schedule "A", (iii) acquires any Instruments, or (iv) establishes or maintains a securities account that is not specified in Schedule "A", the Obligor will notify the Secured Party in writing and provide the Secured Party with a revised Schedule "A" recording the acquisition or establishment of and particulars relating to such Securities, financial assets, Instruments or securities account within fifteen (15) days after such acquisition. The Obligor will also promptly inform the Secured Party in writing of the acquisition by the Obligor of any ULC Shares.
- (4) At the request of the Secured Party, the Obligor will take all action that the Secured Party deems advisable to cause the Secured Party to have control over any Securities or other investment property that are now or at any time become Collateral of the Obligor, including (i) causing the Collateral of the Obligor to be transferred to or registered in the name of the Secured Party or its nominee or otherwise as the Secured Party may direct, (ii) endorsing any certificated Securities to the Secured Party or in blank by an effective endorsement, (iii) delivering the Collateral of the Obligor to the Secured Party or someone on its behalf as the Secured Party may direct, (iv) delivering to the Secured Party any and all consents or other documents or agreements which may be necessary to effect the transfer of any Collateral of the Obligor to the Secured Party or any third party, and (v) entering into control agreements with the Secured Party and the applicable securities intermediary

or issuer in respect of any Collateral of the Obligor in form and substance satisfactory to the Secured Party.

- (5) At the request of the Secured Party, the Obligor will (i) deliver to and deposit with the Secured Party the Instruments listed in Schedule "A", (ii) cause the transfer of any Instruments to the Secured Party to be registered wherever such registration may be required or advisable in the opinion of the Secured Party, (iii) endorse any Instruments to the Secured Party or in blank or register them in the name of the Secured Party or its nominee or otherwise as the Secured Party may direct, and (iv) deliver to the Secured Party any and all consents or other documents that may be necessary to effect the transfer of any Instruments to the Secured Party or any third party.
- (6) The Obligor will promptly notify the Secured Party in writing of the acquisition by the Obligor of any Registrable Intellectual Property. The Obligor will provide the Secured Party with a revised Schedule "B" recording the acquisition and particulars of such additional Intellectual Property.
- (7) The Security Interest with respect to trade-marks constitutes a security interest in, and a charge, hypothecation and pledge of, such Collateral in favour of the Secured Party, but does not constitute an assignment or mortgage of such Collateral to the Secured Party.
- (8) The Security Interest does not extend to consumer goods or ULC Shares.
- (9) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Secured Party may reasonably direct.

Section 2.4 Grant of Licence to Use Intellectual Property.

- (1) At such time as the Secured Party is lawfully entitled to exercise its rights and remedies under Article 3, the Obligor grants to the Secured Party an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any Intellectual Property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this Section is to enable the Secured Party to exercise its rights and remedies under Article 3 and for no other purpose.

- (2) The Secured Party acknowledges that the standard of quality for the use, assignment or sublicensing of Intellectual Property of the Obligor shall be no less than the standard of quality employed by the Obligor as of the day before the exercise of rights and remedies under Article 3 by the Secured Party in conjunction with wares and/or services sold in association with such Intellectual Property.

Section 2.5 Care and Custody of Collateral.

- (1) The Secured Party has no obligation to keep Collateral in its possession identifiable.
- (2) The Secured Party may, after the Security Interest is enforceable (i) notify any person obligated on an Instrument, Security or account to make payments to the Secured Party, whether or not the Obligor was previously making collections on such accounts, chattel paper, instruments, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Secured Party has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Securities or Instruments. The Secured Party has no obligation to protect or preserve any Securities or Instruments from depreciating in value or becoming worthless and is released from all responsibility for any loss of value. In the physical keeping of any Securities, the Secured Party is only obliged to exercise the same degree of care as it would exercise with respect to its own Securities kept at the same place.

Section 2.6 Rights of the Obligors.

- (1) Until the Security Interest is enforceable, the Obligor is entitled to vote the Securities that are part of the Collateral and to receive all dividends and distributions on such Securities. Whenever the Security Interest is enforceable, all rights of the Obligor to vote (under any proxy given by the Secured Party (or its nominee) or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Secured Party.
- (2) Any distributions or dividends received by the Obligor contrary to Section 2.6(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Secured Party and shall be immediately paid over to the Secured Party.

Section 2.7 Expenses.

The Obligor is liable for and will pay on demand by the Secured Party any and all Expenses.

ARTICLE 3 ENFORCEMENT

Section 3.1 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 3.2 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Securities and Instruments as if the Secured Party were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Secured Party or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any Intellectual Property for such term and on such conditions and in such manner as the Secured Party in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such Intellectual Property);
- (i) instruction to any bank which has entered into a control agreement with the Secured Party to transfer all moneys, Securities and Instruments held by such depository bank to an account maintained with or by the Secured Party;

- (j) application of any moneys constituting Collateral or proceeds thereof in accordance with Section 5.11;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;
- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 3.3 Additional Rights.

In addition to the remedies set forth in Section 3.2 and elsewhere in this Agreement, whenever the Security Interest is enforceable, the Secured Party may:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Secured Party the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Lien against any Collateral (the Obligor will immediately on demand reimburse the Secured Party for all such payments);

- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Secured Party sees fit, free of charge, and the Secured Party is not liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and
- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Obligor or any other person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Secured Party, the Secured Party may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 3.4 Exercise of Remedies.

The remedies under Section 3.2 and Section 3.3 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Secured Party however arising or created. The Secured Party is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Secured Party in respect of the Secured Obligations including the right to claim for any deficiency.

Section 3.5 Receiver's Powers.

- (1) Any receiver appointed by the Secured Party is vested with the rights and remedies which could have been exercised by the Secured Party in respect of

the Obligor or the Collateral of the Obligor and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration are within the sole and unfettered discretion of the Secured Party.

- (2) Any receiver appointed by the Secured Party will act as agent for the Secured Party for the purposes of taking possession of the Collateral of the Obligor, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral of the Obligor as agent for the Obligor or as agent for the Secured Party as the Secured Party may determine in its discretion. The Obligor agrees to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Secured Party, in appointing or refraining from appointing any receiver, does not incur liability to the receiver, the Obligor or otherwise and is not responsible for any misconduct or negligence of such receiver.

Section 3.6 Appointment of Attorney.

The Obligor hereby irrevocably constitutes and appoints the Secured Party (and any officer of the Secured Party) the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Secured Party has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Secured Party, its nominees or transferees, and the Secured Party and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns. The Obligor authorizes the Secured Party to delegate in writing to another person any power and authority of the Secured Party under this power of attorney as may be necessary or desirable in the opinion of the Secured Party, and to revoke or suspend such delegation.

Section 3.7 Dealing with the Collateral.

- (1) The Secured Party is not obliged to exhaust its recourse against the Obligor or any other person or against any other security it may hold in respect of the

Secured Obligations before realizing upon or otherwise dealing with the Collateral of the Obligor in such manner as the Secured Party may consider desirable.

- (2) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Secured Party in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Secured Party is not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 3.8 Standards of Sale.

Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral of the Obligor may be disposed of in whole or in part;
- (b) the Collateral of the Obligor may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Secured Party or a customer of any such person;
- (d) any sale conducted by the Secured Party will be at such time and place, on such notice and in accordance with such procedures as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Collateral of the Obligor may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to persons who will represent and

agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral of the Obligor) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of the Collateral of the Obligor may be on such terms and conditions as to credit or otherwise as the Secured Party, in its sole discretion, may deem advantageous; and
- (g) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral of the Obligor.

Section 3.9 Dealings by Third Parties.

- (1) No person dealing with the Secured Party or an agent or receiver is required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Secured Party by any Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Secured Party with the Collateral, or (vi) how any money paid to Secured Party has been applied.
- (2) Any bona fide purchaser of all or any part of the Collateral from the Secured Party or any receiver or agent will hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

ARTICLE 4 REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.1 General Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Secured Party is relying on such representations, warranties, covenants and agreements, that:

- (a) **Continuous Perfection.** Schedule "C" sets out the Obligor's place of business or, if more than one, the Obligor's chief executive office. Such place of business or chief executive office, as the case may be, has been located at such address for the sixty (60) days immediately preceding

the date of this Agreement. Schedule "C" also sets out the address at which the books and records of the Obligor are located, the address at which senior management of the Obligor are located and conduct their deliberations and make their decisions with respect to the business of the Obligor and the address from which the invoices and accounts of the Obligor are issued. The Obligor will not change the location of any of these items, people or addresses without providing at least thirty (30) days prior written notice to the Secured Party. Except for sales of inventory made in the ordinary course of business, the Collateral, to the extent not delivered to the Secured Party pursuant to Section 2.3(2), has been kept for the sixty (60) days immediately preceding the date of this Agreement and will be kept at those locations listed on Schedule "C", and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Secured Party. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Secured Party.

- (b) **Restriction on Disposition.** The Obligor will not sell, assign, convey, exchange, lease, release or abandon, or otherwise dispose of, any Collateral except as expressly permitted in the Letter Agreement.
- (c) **Negative Pledge.** The Obligor will not create or suffer to exist, any Lien on the Collateral, except for Permitted Liens.
- (d) **Account Debtors.** None of the account debtors in respect of any accounts, chattel paper or intangibles and none of the obligors in respect of any Instruments included in the Collateral is (i) a Governmental Entity, or (ii) in the case of any account in excess of \$50,000, is located outside of Canada or the United States of America.
- (e) **Securities and Instruments.**
 - (i) Schedule "A" lists all Securities, Instruments and securities accounts owned or held by the Obligor on the date of this Agreement.
 - (ii) Securities and Instruments that are Collateral have been, where applicable, duly and validly issued and acquired and are fully paid and non-assessable. Schedule "A" sets out, for each class of Securities listed in the schedule, the percentage amount that such Securities represent of all issued and outstanding Securities of that class.

- (iii) Except as described in Schedule "A", no transfer restrictions apply to the Securities and Instruments listed in Schedule "A". The Obligor has delivered to the Secured Party copies of all shareholder, partnership or trust agreements applicable to each issuer of such Securities and Instruments which are in the Obligor's possession or control.
 - (iv) No person has or will have any written or oral option, warrant, right, call, commitment, conversion right, right of exchange or other agreement or any right or privilege (whether by law, preemptive or contractual) capable of becoming an option, warrant, right, call, commitment, conversion right, right of exchange or other agreement to acquire any right or interest in any of the Securities and Instruments that are Collateral.
 - (v) The Securities and Instruments that are Collateral constitute, where applicable, the legal, valid and binding obligation of the Obligor of such Securities and Instruments, enforceable in accordance with their terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, fraudulent conveyance, arrangement, reorganization or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
 - (vi) The pledge, assignment and delivery to the Secured Party of the Collateral consisting of certificated Securities pursuant to this Agreement creates a valid and perfected first ranking security interest in such certificated Securities, and the proceeds of them. Such Securities and the proceeds from them are not subject to any prior Lien or any agreement purporting to grant to any third party a Lien on the property or assets of the Obligor which would include the Securities. The Secured Party is entitled to all the rights, priorities and benefits afforded by the PPSA or other relevant personal property security legislation as enacted in any relevant jurisdiction to perfect security interests in respect of such Collateral.
 - (vii) The Obligor will not establish and maintain any securities account without providing at least thirty (30) days prior written notice to the Secured Party and complying, to the extent required, with Section 2.3(3).
- (f) **Status of Accounts Collateral.** The Obligor will not maintain books and records pertaining to the Collateral of the Obligor in such detail,

form and scope as the Secured Party reasonably requires, and keep all originals of the chattel paper which evidence accounts at locations specified on Schedule "C". The Obligor will immediately notify the Secured Party if any account in excess of \$50,000 arises out of contracts with any Governmental Entity, and execute any instruments and take any steps required by the Secured Party in order that all moneys due or to become due under the contract are assigned to the Secured Party and notice of such assignment is given to the Governmental Entity. The Obligor will also immediately notify the Secured Party if any account in excess of \$50,000 is with an account debtor located outside of Canada or the United States of America.

(g) **Intellectual Property.**

- (i) Schedule "B" lists all Registrable Intellectual Property that is owned by the Obligor on the date of this Agreement.
- (ii) All Registrable Intellectual Property of the Obligor is valid, subsisting, unexpired and enforceable, has not been abandoned and does not infringe the Intellectual Property rights of any other person.

(h) **Additional Security Perfection and Protection of Security Interest.**

The Obligor will grant to the Secured Party, security interests, assignments, mortgages, charges, hypothecations and pledges in such property and undertaking of the Obligor that is not subject to a valid and perfected first ranking security interest (subject only to Permitted Liens) constituted by the Security Documents, in each relevant jurisdiction as determined by the Secured Party. The Obligor will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are requested by the Secured Party at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the Security Interest relative to the Collateral of such Obligor including: (i) executing, recording and filing of financing or other statements, and paying all taxes, fees and other charges payable, (ii) placing notations on its books of account to disclose the Security Interest, (iii) delivering acknowledgements, confirmations and subordinations that may be necessary to ensure that the Security Documents constitute a valid and perfected first ranking security interest (subject only to Permitted Liens), (iv) executing and delivering any agreements, documents and instruments to comply with the STA and (v) delivering opinions of counsel in respect of matters contemplated by this paragraph. The documents and opinions

contemplated by this paragraph must be in form and substance satisfactory to the Secured Party.

ARTICLE 5 GENERAL

Section 5.1 Notices.

Any notices, directions or other communications provided for in this Agreement must be in writing and given in accordance with the Guarantee.

Section 5.2 Discharge.

The Security Interest will not be discharged except by a written release or discharge signed by the Secured Party. The Obligor will be entitled to require a discharge by notice to the Secured Party upon, but only upon, (i) full and indefeasible payment and performance of the Secured Obligations and (ii) the Secured Party having no obligations under any Loan Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Secured Party will execute and deliver to the Obligor such financing statements and other documents or instruments as the Obligor may reasonably require and the Secured Party will redeliver to the Obligor, or as the Obligor may otherwise direct the Secured Party, any Collateral in its possession.

Section 5.3 No Merger, Survival of Representations and Warranties.

This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Secured Party will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Secured Party in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances under the Letter Agreement. Notwithstanding any investigation made by or on behalf of the Secured Party these covenants, representations and warranties continue in full force and effect.

Section 5.4 Further Assurances.

The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Secured Party may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Secured Party may require, including such requirements pursuant to the STA for (i) protecting the Collateral, (ii) perfecting the Security Interest, and (iii) exercising all powers, authorities and discretions conferred upon the Secured Party. After the Security Interest becomes enforceable, the Obligor will do all acts and things and execute and deliver all

documents and instruments that the Secured Party may require for facilitating the sale or other disposition of the Collateral in connection with its realization.

Section 5.5 Supplemental Security.

This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Secured Party.

Section 5.6 Successors and Assigns.

This Agreement is binding on the Obligor and its successors and assigns, and enures to the benefit of the Secured Party and its successors and assigns. This Agreement may be assigned by the Secured Party in connection with an assignment by the Secured Party of the Letter Agreement in accordance therewith. In any action brought by an assignee to enforce any such right or remedy, the Obligor will not assert against the assignee any claim or defence which the Obligor now has or may have against the Secured Party. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Secured Party which may be unreasonably withheld.

Section 5.7 Amalgamation.

The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest (i) subject to Section 2.3, extends to: (A) all of the property and undertaking that any of the amalgamating corporations then owns, (B) all of the property and undertaking that the amalgamated corporation thereafter acquires, (C) all of the property and undertaking in which any of the amalgamating corporations then has any interest and (D) all of the property and undertaking in which the amalgamated corporation thereafter acquires any interest; and (ii) secures the payment and performance of 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 each of the amalgamating corporations and the amalgamated corporation to the Secured Party in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term "**Obligor**" means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term "**Collateral**" means all of the property and undertaking and interests described in (i) above, and the defined term "**Secured Obligations**" means the obligations described in (ii) above.

Section 5.8 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 5.9 Amendment.

This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Secured Party and the Obligor affected by such amendment, supplement or modification.

Section 5.10 Waivers, etc.

- (1) No consent or waiver by the Secured Party in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Secured Party. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which it is given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision.
- (2) A failure or delay on the part of the Secured Party in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Secured Party however arising. A single or partial exercise of a right on the part of the Secured Party does not preclude any other or further exercise of that right or the exercise of any other right by the Secured Party.

Section 5.11 Application of Proceeds of Security.

All monies collected by the Secured Party upon the enforcement of its rights and remedies under the Security Documents and the Liens created by them including any sale or other disposition of the Collateral, together with all other monies received by the Secured Party under the Security Documents, will be applied as provided in the Letter Agreement. To the extent any other Loan Document requires proceeds of collateral under such Loan Document to be applied in accordance with the provisions of this Agreement, the Secured Party shall apply such proceeds in accordance with this Section.

Section 5.12 Governing Law.

This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 5.13 Electronic Execution.

The Obligor may deliver electronically, or by facsimile an executed copy of this Agreement and such electronic or facsimile copy shall be deemed to be an original.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

**IGNITE INSURANCE
CORPORATION**

By:

A handwritten signature in black ink, appearing to be 'S. Livingstone', written over a horizontal line.

Name: Stephen D. Livingstone

Title: President and Secretary

SCHEDULE "A"
INSTRUMENTS AND SECURITIES

**SECURITY AGREEMENT DATED NOVEMBER 15, 2021 MADE BY IGNITE
INSURANCE CORPORATION IN FAVOUR OF
AVIVA INSURANCE COMPANY OF CANADA**

AS AT NOVEMBER 15, 2021

SECURITIES

Nil.

SECURITIES ACCOUNTS

Nil.

INSTRUMENTS

Nil.

TRANSFER RESTRICTIONS

Not applicable.

SCHEDULE "B"
INTELLECTUAL PROPERTY

Nil.

SCHEDULE "C"
LOCATIONS OF COLLATERAL

Chief Executive Office:

Ontario

Locations of Collateral and Places of Business:

Ontario

Locations of Books and Records:

Ontario

Locations of Senior Management:

Ontario

Address from which Invoices and Accounts are sent:

Ontario

IGNITE HOLDINGS INC.

as Obligor

and

AVIVA INSURANCE COMPANY OF CANADA

as Secured Party

SECURITIES PLEDGE AGREEMENT

November 15, 2021

SECURITIES PLEDGE AGREEMENT

Securities pledge agreement dated as of November 15, 2021 made to and in favour of Aviva Insurance Company of Canada by Ignite Holdings Inc.

RECITALS:

- (a) The Secured Party has agreed to make a certain credit facility available to the Borrower on the terms and conditions contained in the Loan Agreement;
- (b) The Obligor has guaranteed the obligations of the Borrower pursuant to the Guarantee; and
- (c) It is a condition precedent to the extension of credit to the Borrower under the Loan Agreement that the Obligor executes and delivers this Agreement in favour of the Secured Party as security for the payment and performance of such Obligor's obligations under the Guarantee and the other Loan Documents to which it is a party.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Obligor agrees as follows.

Section 1 Defined Terms.

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

"Agreement" means this securities pledge agreement, as it may be amended, modified, extended, renewed, replaced, restated or supplemented from time to time.

"Borrower" means Ignite Services Inc., a corporation incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

"Collateral" has the meaning specified in Section 3.

"Loan Agreement" means the letter loan agreement of even date herewith between the Borrower and the Secured Party as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending the maturity of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Secured Party.

"Expenses" has the meaning specified in Section 4(b).

“Guarantee” means the guarantee of even date herewith between the Obligor and the Secured Party, as amended, modified, replaced, restated or supplemented from time to time.

“Loan Documents” means the Loan Agreement, the Guarantee, this Agreement and each other Loan Document (as such term is defined in the Loan Agreement).

“Obligor” means Ignite Holdings Inc., a corporation incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

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

“Secured Party” means Aviva Insurance Company of Canada and its successors and assigns.

“Secured Obligations” has the meaning specified in Section 4(a).

“Securities” means

(a) a document that is (i) issued in bearer, order or registered form, (ii) of a type commonly dealt in upon securities exchanges or markets or commonly recognized in any area in which it is issued or dealt in as a medium for investment, (iii) one of a class or series or by its terms is divisible into a class or series of documents, and (iv) evidence of a share, participation or other interest in property or in any enterprise or is evidence of an obligation of the issuer and includes an uncertificated security; and

(b) a share, participation or other interest in a person;

but excludes

(c) any ULC Shares.

“Security Documents” at any time means the agreements, documents and instruments described in Schedule “A” of the Loan Agreement and each additional agreement, document and instrument delivered to the Secured Party as security for the debts, liabilities and obligations owing by the Obligor and the other Loan Parties to the Secured Party.

“Security Interest” has the meaning specified in Section 4.

“STA” means the *Securities Transfer Act* (Ontario).

“ULC Shares” means shares in any unlimited company at any time owned or otherwise held by the Obligor.

Section 2 Interpretation.

- (1) Terms defined in the PPSA or the STA and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Loan Agreement.
- (2) Any reference in any Loan Document to Liens permitted by the Loan Agreement and any right of the Obligor to create or suffer to exist Liens permitted by the Loan Agreement are not intended to and do not and will not subordinate the Security Interest to any such Lien or give priority to any person over the Secured Party.
- (3) In this Agreement the words **“including”, “includes” and “include”** mean **“including (or includes or include) without limitation”**. The expressions **“Section”** and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement.
- (4) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (5) The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (6) The schedules attached to this Agreement form an integral part of it for all purposes of it.
- (7) Except as otherwise provided in this Agreement, any reference to this Agreement, any Loan Document or any Security Document refers to this Agreement or such Loan Document or Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. 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 or re-enacted.

Section 3 Grant of Security.

Subject to Section 6, the Obligor grants to the Secured Party, a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Secured Party the following (collectively, the **“Collateral”**):

- (a) all Securities owned or held by the Obligor from time to time, including the Securities listed in Schedule "A", and all rights and claims of the Obligor in such Securities;
- (b) all substitutions and replacements of, increases and additions to the property described in Section 3(a); including any consolidation, subdivision, reclassification or stock dividend; and
- (c) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 3(a) and Section 3(b), including the proceeds of such proceeds.

Section 4 Secured Obligations.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by the Obligor (collectively, the "**Security Interest**") secures the payment and performance of:

- (a) 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 Obligor to the Secured Party in any currency, under, in connection with or pursuant to the Guarantee and any other Loan Document to which the Obligor is a party, and whether incurred by the Obligor alone or jointly with another or others and whether as principal, guarantor or surety (collectively, and together with the Expenses, the "**Secured Obligations**"); and
- (b) all expenses, costs and charges incurred by or on behalf of the Secured Party in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Secured Party's interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Loan Document (collectively, the "**Expenses**").

Section 5 Attachment.

- (1) The Obligor acknowledges that (i) value has been given, (ii) it has rights in the Collateral (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, (iv) it has received a

- copy of this Agreement, and (v) it waives receipt of a copy of all PPSA registrations.
- (2) If any Securities are now or at any time become evidenced, in whole or in part, by uncertificated securities registered or recorded in records maintained by or on behalf of the issuer thereof in the name of a clearing agency or a custodian or of a nominee of either, the Obligor will, at the request and option of the Secured Party, (i) cause an appropriate entry to be made in the records of the clearing agency or custodian to record the interest of the Secured Party in such Securities created pursuant to this Agreement, or (ii) cause the Secured Party to have control over such Securities.
 - (3) The Obligor delivers to and deposits with the Secured Party any and all certificates evidencing the Securities listed in Schedule "A", together with, in each case, a stock power duly endorsed in blank for transfer and grants control over such Securities to the Secured Party.
 - (4) If the Obligor acquires any Securities, the Obligor will notify the Secured Party in writing and provide the Secured Party with a revised Schedule "A" recording the acquisition and particulars of such Securities within 15 days after such acquisition. Upon request by the Secured Party, the Obligor will promptly deliver to and deposit with the Secured Party, or cause the Secured Party to have control over, such Securities as security for the Secured Obligations. The Obligor will also promptly inform the Secured Party in writing of the acquisition by the Obligor of any ULC Shares.
 - (5) At the request of the Secured Party, the Obligor will (i) cause the transfer of any Securities to the Secured Party to be registered wherever such registration may be required or advisable in the reasonable opinion of the Secured Party, (ii) duly endorse any such Securities for transfer in blank or register them in the name of the Secured Party or its nominee or otherwise as the Secured Party may reasonably direct, (iii) immediately deliver to the Secured Party any and all consents or other documents which may be necessary to effect the transfer of any Securities to the Secured Party or any third party, and (iv) deliver to the Secured Party or otherwise cause the Secured Party to have control over such Securities.

Section 6 Scope of Security Interest.

The Security Interest does not extend to ULC Shares.

Section 7 Care and Custody of Collateral.

- (1) The Secured Party may, after the Security Interest is enforceable, assume control of any dividends, distributions or proceeds arising from the Collateral.

- (2) The Secured Party has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Securities. The Secured Party has no obligation to protect or preserve any Securities from depreciating in value or becoming worthless and is released from all responsibility for any loss of value. In the physical keeping of any Securities, the Secured Party is only obliged to exercise the same degree of care as it would exercise with respect to its own Securities kept at the same place.

Section 8 Rights of the Obligor.

- (1) Until the Security Interest is enforceable, the Obligor is entitled to vote the Securities that are part of the Collateral and to receive all dividends and distributions on such Securities. Whenever the Security Interest is enforceable, all rights of the Obligor to vote (under any proxy given by the Secured Party (or its nominee) or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Secured Party.
- (2) Any distributions or dividends received by the Obligor contrary to Section 8(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Secured Party and shall be immediately paid over to the Secured Party.

Section 9 Expenses.

The Obligor is liable for and will pay on demand by the Secured Party any and all Expenses.

Section 10 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 11 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by:

- (a) realizing upon or otherwise disposing of or contracting to dispose of the Collateral by sale, transfer or delivery;
- (b) exercising and enforcing all rights and remedies of a holder of the Securities as if the Secured Party were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Secured Party or its nominee if not already done);

- (c) collection of any proceeds arising in respect of the Collateral;
- (d) instruction to any bank which has entered into a control agreement with the Secured Party to transfer all proceeds and Securities held by such depositary bank to an account maintained with or by the Secured Party;
- (e) application of any proceeds arising in respect of the Collateral in accordance with Section 18(11); and
- (f) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 12 Exercise of Remedies.

The remedies under Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Secured Party however arising or created. The Secured Party is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Secured Party in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Appointment of Attorney.

The Obligor hereby irrevocably constitutes and appoints the Secured Party (and any officer of the Secured Party) the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Secured Party has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Secured Party, its nominees or transferees, and the Secured Party and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do.

This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns. The Obligor authorizes the Secured Party to delegate in writing to another person any power and authority of the Secured Party under this power of attorney as may be necessary or desirable in the opinion of the Secured Party, and to revoke or suspend such delegation.

Section 14 Dealing with the Collateral.

- (1) The Secured Party is not obliged to exhaust its recourse against the Obligor or any other person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral of the Obligor in such manner as the Secured Party may consider desirable.
- (2) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Secured Party in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Secured Party is not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 15 Standards of Sale.

Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral of the Obligor may be disposed of in whole or in part;
- (b) the Collateral of the Obligor may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Secured Party or a customer of any such person;
- (d) any sale conducted by the Secured Party will be at such time and place, on such notice and in accordance with such procedures as the Secured Party, in its sole discretion, may deem advantageous;
- (e) the Collateral of the Obligor may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of

prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral of the Obligor) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of the Collateral of the Obligor may be on such terms and conditions as to credit or otherwise as the Secured Party, in its sole discretion, may deem advantageous; and
- (g) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral of the Obligor.

Section 16 Dealings by Third Parties.

- (1) No person dealing with the Secured Party or an agent or receiver is required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Secured Party by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Secured Party with the Collateral, or (vi) how any money paid to Secured Party has been applied.
- (2) Any bona fide purchaser of all or any part of the Collateral from the Secured Party or any receiver or agent will hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of any Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 17 Representations, Warranties and Covenants.

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Secured Party is relying on such representations, warranties, covenants and agreements, that:

- (a) **Continuous Perfection.** Schedule "A" sets out the Obligor's principal place of business. Such principal place of business has been located at such address for the sixty (60) days immediately preceding the date of this Agreement. The Obligor will not change such location without providing at least thirty (30) days' prior written notice to the Secured

Party. The Obligor will not change its name in any manner without providing at least thirty (30) days' prior written notice to the Secured Party.

- (b) **Restriction on Disposition.** The Obligor will not sell, assign, convey, exchange, lease, release or abandon, or otherwise dispose of, any Collateral.
- (c) **Negative Pledge.** The Obligor will not create or suffer to exist, any Lien on the Collateral.
- (d) **Securities.**
 - (i) Schedule "A" lists all Securities owned or held by the Obligor on the date of this Agreement.
 - (ii) Securities that are Collateral have been, where applicable, duly and validly issued and acquired and are fully paid and non-assessable. Schedule "A" sets out, for each class of Securities listed in the schedule, the percentage amount that such Securities represent of all issued and outstanding Securities of that class.
 - (iii) Except as described in Schedule "A", no transfer restrictions apply to the Securities listed in Schedule "A". The Obligor has delivered to the Secured Party copies of all shareholder, partnership or trust agreements applicable to each issuer of such Securities which are in the Obligor's possession or control.
 - (iv) No person has or will have any written or oral option, warrant, right, call, commitment, conversion right, right of exchange or other agreement or any right or privilege (whether by law, preemptive or contractual) capable of becoming an option, warrant, right, call, commitment, conversion right, right of exchange or other agreement to acquire any right or interest in any of the Securities that are Collateral.
 - (v) The Securities that are Collateral constitute, where applicable, the legal, valid and binding obligation of the Obligor of such Securities, enforceable in accordance with their terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, fraudulent conveyance, arrangement, reorganization or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies.

- (vi) The pledge, assignment and delivery to the Secured Party of the Collateral of the Obligor consisting of certificated Securities pursuant to this Agreement creates a valid and perfected first ranking security interest in such certificated Securities, and the proceeds of them. Such Securities and the proceeds from them are not subject to any prior Lien or any agreement purporting to grant to any third party a Lien on the property or assets of the Obligor which would include the Securities. The Secured Party is entitled to all the rights, priorities and benefits afforded by the PPSA or other relevant personal property securities legislation as enacted in any relevant jurisdiction to perfect security interests in respect of such Collateral.
- (e) **Additional Security Perfection and Protection of Security Interest.** The Obligor will grant to the Secured Party, security interests, assignments, mortgages, charges, hypothecations and pledges in such property and undertaking of the Obligor that is not subject to a valid and perfected first ranking security interest (subject only to Permitted Liens) constituted by the Security Documents, in each relevant jurisdiction as determined by the Secured Party. The Obligor will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are requested by the Secured Party at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the Security Interest including: (i) executing, recording and filing of financing or other statements, and paying all taxes, fees and other charges payable, (ii) placing notations on its books of account to disclose the Security Interest, (iii) delivering acknowledgements, confirmations and subordinations that may be necessary to ensure that the Security Documents constitute a valid and perfected first ranking security interest (subject only to Permitted Liens), (iv) executing and delivering any agreements, documents and instruments to comply with the STA, and (v) delivering opinions of counsel in respect of matters contemplated by this paragraph. The documents and opinions contemplated by this paragraph must be in form and substance satisfactory to the Secured Party.

Section 18 General.

- (1) Any notice, direction or other communication required or permitted to be given under this Agreement shall be in writing and given in accordance with the Guarantee.
- (2) The Security Interest will not be discharged except by a written release or discharge signed by the Secured Party. The Obligor will be entitled to require

- a discharge by notice to the Secured Party upon, but only upon, (i) full and indefeasible payment and performance of the Secured Obligations, and (ii) the Secured Party having no obligations under any Loan Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Secured Party will execute and deliver to the Obligor such financing statements and other documents or instruments as the Obligor may reasonably require and the Secured Party will redeliver to the Obligor, or as the Obligor may otherwise direct the Secured Party, any Collateral in its possession.
- (3) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Secured Party will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Secured Party in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances under the Loan Agreement. Notwithstanding any investigation made by or on behalf of the Secured Party the covenants, representations and warranties continue in full force and effect.
- (4) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Secured Party may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Secured Party may require for (i) protecting the Collateral, (ii) perfecting the Security Interest, and (iii) exercising all powers, authorities and discretions conferred upon the Secured Party. After the Security Interest becomes enforceable, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Secured Party may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (5) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Secured Party.
- (6) This Agreement is binding on the Obligor, its successors and assigns, and enures to the benefit of the Secured Party and its successors and assigns. This Agreement may be assigned by the Secured Party in connection with an assignment by the Secured Party of the Loan Agreement in accordance therewith and, in such event, such person will be entitled to all of the rights and remedies of the Secured Party as set forth in this Agreement or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Obligor will not assert against the assignee any claim or defence

- which the Obligor now has or may have against the Secured Party. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Secured Party, which consent may be unreasonably withheld.
- (7) 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.
 - (8) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Secured Party and the Obligor affected by such amendment, supplement or modification.
 - (9) No consent or waiver by the Secured Party in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Secured Party. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which it is given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision.
 - (10) A failure or delay on the part of the Secured Party in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Secured Party however arising. A single or partial exercise of a right on the part of the Secured Party does not preclude any other or further exercise of that right or the exercise of any other right by the Secured Party.
 - (11) All monies collected by the Secured Party upon the enforcement of its rights and remedies under the Security Documents and the Liens created by them including any sale or other disposition of the Collateral, together with all other monies received by the Secured Party under the Security Documents, will be applied as provided in the Loan Agreement. To the extent any other Loan Document requires proceeds of collateral under such Loan Document to be applied in accordance with the provisions of this Agreement, the Secured Party shall apply such proceeds in accordance with this Section.
 - (12) In the event of any conflict between the provisions of this Agreement and the provisions of the Loan Agreement which cannot be resolved by both provisions being complied with, the provisions contained in the Loan Agreement will prevail to the extent of such conflict.
 - (13) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Execution Version

- (14) The Obligor may deliver electronically, or by facsimile an executed copy of this Agreement and such electronic or facsimile copy shall be deemed to be an original.

IN WITNESS WHEREOF the Obligor has executed this Agreement.

IGNITE HOLDINGS INC.

By:



Name: Stephen D. Livingstone

Title: Director and President

SCHEDULE "A"
PRINCIPAL PLACE OF BUSINESS / SECURITIES

PRINCIPAL PLACE OF BUSINESS

615 Kumpf Dr, Suite 500
 Waterloo, ON N2V 1K8

SECURITIES

<u>Issuer</u>	<u>Class of Securities</u>	<u>Number of Securities</u>	<u>% of issued Securities</u>	<u>Certificate Number</u>
Ignite Services Inc.	Common	100	100%	C-1
Ignite Insurance Corporation	Common	100	100%	C-1

TRANSFER RESTRICTIONS

The Articles of Incorporation of Ignite Services Inc. dated February 8, 2016, requiring the previous consent of the board of directors of Ignite Services Inc., to be signified by a resolution passed by the board of Ignite Services Inc. or by an instrument or instruments in writing signed by all of the directors of Ignite Services Inc.

The Articles of Incorporation of Ignite Insurance Corporation dated February 8, 2016, requiring the previous consent of the board of directors of Ignite Insurance Corporation, to be signified by a resolution passed by the board of Ignite Insurance Corporation or by an instrument or instruments in writing signed by all of the directors of Ignite Insurance Corporation.

EXHIBIT "K"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:
Rania Hammad
3CCD226759524E3...

Commissioner for Taking Affidavits

RIGHT OF FIRST REFUSAL AGREEMENT

Right of first refusal agreement dated as of November 15, 2021 among Aviva Insurance Company of Canada, Ignite Services Inc., Ignite Insurance Corporation (together with its successors and permitted assigns, "**Ignite Insurance**") and Ignite Holdings Inc. (together with its successors and permitted assigns, "**Ignite Holdings**").

RECITALS:

- (a) The Lender has made a credit facility available to the Borrower on the terms and conditions contained in the Letter Agreement;
- (b) Each of Ignite Holdings and Ignite Insurance has guaranteed the obligations of the Borrower with respect to such credit facility; and
- (c) Pursuant to the Loan Documents, the Corporations are prohibited from allowing any transfers of shares in their capital.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows.

Section 1 Defined Terms.

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

"Agreement" means this right of first refusal agreement, as it may be amended, supplemented, restated or modified from time to time.

"Borrower" means Ignite Services Inc., a corporation incorporated and existing under the laws of the Province of Ontario, and its successors and permitted assigns.

"Corporations" means the Borrower and Ignite Insurance.

"Lender" means Aviva Insurance Company of Canada and its successors and assigns.

"Letter Agreement" means the letter loan agreement dated as of the date hereof between the Borrower and the Lender, as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending the maturity of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Lender.

"Shareholder" means Ignite Holdings.

Section 2 Interpretation.

- (1) Capitalized terms used in this Agreement but not defined have the meanings given to them in the Letter Agreement.
- (2) The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (3) In this Agreement the words "including", "includes" and "include" mean "including (or includes or include) without limitation". The expressions "Section" and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement.
- (4) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.

Section 3 Right of First Refusal with respect to Assets.

- (1) So long as any sums remain owing to the Lender pursuant to the Letter Agreement or any of the Loan Documents or Security (regardless of whether such sums are due), and for a period of twelve (12) months thereafter, each Corporation hereby grants to the Lender an exclusive and irrevocable right of first refusal to purchase any of its assets or group of assets having an aggregate value in excess of \$50,000 and /or including any rights or entitlement to any of its insurance contracts, insurance clients, expirations or insurance portfolios (collectively, the **"Subject Assets"**) on the terms as set out in this Agreement.
- (2) Should a Corporation (the **"Vendor Corporation"**) wish, for any reason whatsoever, to sell, dispose of or otherwise transfer any of the Subject Assets to a person other than the Lender (a **"Third Party"**), in whole or in part, it must first offer the Subject Assets to the Lender, by written notice (the **"Asset Sale Notice"**) to the Lender, at the same price, terms and conditions as those proposed to, or offered by, the Third Party except that:
 - (a) there shall be deducted from the purchase price the amount of any commission or fee that would otherwise have been payable to any broker, agent or other intermediary in connection with the sale of the Subject Assets; and
 - (b) the Lender shall have the right to substitute cash for any other form of consideration specified in the offer (on the basis of a fair market value of such other consideration acceptable to the Vendor Corporation and

the Lender, each acting reasonably) and the Lender shall have the option to pay in full the entire purchase price at the time of closing or to pay in accordance with the payment terms specified in the Third Party offer.

The Asset Sale Notice shall be accompanied by an executed copy of the offer from the Third Party. The Vendor Corporation shall ensure that any confidentiality agreement or similar document entered into by it with the Third Party shall permit it to comply with this requirement.

- (3) The Lender shall have thirty (30) days (the “**Asset Sale Notice Period**”) from the date of delivery of the Asset Sale Notice to accept the offer set out therein and the Lender shall, prior to the expiry of the Asset Sale Notice Period, advise in writing the Vendor Corporation of its election to purchase the Subject Assets.
- (4) If the Lender gives written notice of its agreement to buy the Subject Assets (the “**Asset Sale Acceptance**”) prior to the expiration of the Asset Sale Notice Period, then on the ninetieth (90th) day following delivery by the Lender of its Asset Sale Acceptance, the Lender, or a nominee of the Lender, shall purchase the Subject Assets from the Vendor Corporation on the terms and conditions set out in the Asset Sale Notice or the cash equivalent of such terms and conditions, all in accordance with the terms of this Agreement.
- (5) Upon expiry of the Asset Sale Notice Period, if the Lender has not accepted the offer, subject to the Lender consenting to the proposed sale to the relevant Third Party on the prior request of the Vendor Corporation in accordance with the terms of the applicable Loan Documents, the Vendor Corporation may offer the Subject Assets to the Third Party at a price, terms and conditions not less than the offer made to the Lender for a period of ninety (90) days from the expiry of the Asset Sale Notice Period. If the Vendor Corporation elects to reduce the price or otherwise alters the terms and conditions of the offer, the Vendor Corporation must again provide notice to the Lender as required by Section 3(2) and the Lender shall have the same rights to purchase pursuant to the terms of the amended offer as set out in this Agreement.
- (6) Upon expiry of the ninety (90) day period, the Vendor Corporation must, if it again wishes to sell or otherwise transfer the Subject Assets, follow the requirements of this Section 3, provided that any single waiver by the Lender of the relevant provisions of the Loan Documents shall not obligate the Lender to waive the application of such provisions on any subsequent request of the Vendor Corporation.

- (7) The Vendor Corporation shall immediately advise the Lender in writing of any transfer of the Subject Assets to a Third Party.

Section 4 Right of First Refusal with respect to Shares.

- (1) So long as any sums remain owing to the Lender pursuant to the Letter Agreement or any of the Loan Documents or Security (regardless of whether such sums are due), and for a period of twelve (12) months thereafter, the Shareholder hereby grants to the Lender an exclusive and irrevocable right of first refusal to purchase any or all of the shares of a Corporation owned or held by it (the **"Shares"**) on the terms as set out in this Agreement.
- (2) Should the Shareholder (also referred to as the **"Vendor Shareholder"**) wish, for any reason whatsoever, to sell, dispose of or otherwise transfer any of the Shares to a Third Party, in whole or in part, such Vendor Shareholder shall give the Lender written notice (the **"Share Sale Notice"**) of its desire to sell the Shares to the Lender, specifying the proposed sale price, the terms of payment and all other terms and conditions with respect to such sale, which shall be the same price, terms and conditions as those proposed to, or offered by, the Third Party, provided that:
- (a) there shall be deducted from the purchase price the amount of any commission or fee that would otherwise have been payable to any broker, agent or other intermediary in connection with the sale of the Shares; and
- (b) the Lender shall have the right to substitute cash for any other form of consideration specified in the offer (on the basis of a fair market value of such other consideration acceptable to the Vendor Shareholder and the Lender, each acting reasonably) and the Lender shall have the option to pay in full the entire purchase price at the time of closing or to pay in accordance with the payment terms specified in the Third Party offer.

The Share Sale Notice shall be accompanied by an executed copy of the offer from the Third Party. The Vendor Shareholder shall ensure that any confidentiality agreement or similar document entered into by it with the Third Party shall permit it to comply with this requirement.

- (3) The Lender shall have thirty (30) days (the **"Share Sale Notice Period"**) from the date of delivery of the Share Sale Notice to accept the offer set out therein and the Lender shall, prior to the expiry of the Share Sale Notice Period, advise in writing the Vendor Shareholder of its election to purchase the Shares.

- (4) If the Lender gives written notice (the **"Share Sale Acceptance"**) of its agreement to buy the Shares prior to the expiration of the Acceptance Period, then on the ninetieth (90th) day following the delivery by the Lender of the Acceptance, the Lender, or a nominee of the Lender, shall purchase the Shares from the Vendor Shareholder on the terms and conditions set out in the Share Sale Notice or the cash equivalent of such terms and conditions, all in accordance with the terms of this Agreement.
- (5) Upon expiry of the Share Sale Notice Period, if the Lender has not accepted the offer, subject to the Lender consenting to the proposed sale to the relevant Third Party on the prior request of the Vendor Shareholder in accordance with the terms of the applicable Loan Documents, the Vendor Shareholder may offer the Shares to the Third Party at a price, terms and conditions not less than the offer made to the Lender for a period of ninety (90) days from the expiry of the Share Sale Notice Period. If the Vendor Shareholder elects to reduce the price or otherwise alters the terms and conditions of the offer, the Vendor Shareholder must provide notice to the Lender as required by Section 4(2) and the Lender shall have the same rights to purchase pursuant to the terms of the amended offer as set out in this Agreement.
- (6) If amounts owing under the Letter Agreement and other Loan Documents have not been repaid in full, or if only some but not all of the Shares are being sold to the Third Party in accordance with this Agreement, it shall be a condition of the sale of Shares to the Third Party that such Third Party agrees to be bound by this Agreement and executes such agreements or other documents as the Lender or its counsel deems necessary or advisable to give effect to the same. In the event that the Third Party acquires or holds any shares of a Corporation and amounts owing under the Letter Agreement and other Loan Documents have not been repaid in full, at the request of the Lender, the Third Party shall become a limited recourse guarantor and shall execute such Loan Documents as the Lender may reasonably require in order to effect such guarantee of the obligations of the Borrower to the Lender and a first ranking perfected security interest in the shares of the relevant Corporation by the Third Party in favour of the Lender.
- (7) Upon expiry of the ninety (90) day period, the Vendor Shareholder must, if it again wishes to sell or otherwise transfer the Shares, follow the requirements of this Section 4, provided that any single waiver by the Lender of the relevant provisions of the Loan Documents shall not obligate the Lender to waive the application of such provisions on any subsequent request of the Vendor Shareholder.
- (8) The Vendor Shareholder shall immediately advise the Lender in writing of any transfer of the Shares to a Third Party.

Section 5 Pre-Emptive Rights.

None of the Corporations nor the Shareholder shall, directly or indirectly, through any representative or otherwise, solicit or entertain offers from, negotiate with or in any manner encourage, discuss, accept or consider any proposal of any other person relating to the direct or indirect acquisition of an interest in any Subject Asset or Share, whether through direct purchase, merger, consolidation or other business combination, without, in each case, simultaneously therewith giving notice thereof to the Lender in order to permit the Lender to exclusively consult thereon with the Corporation or Shareholder, as the case may be, for a period of not less than 90 days. During such 90-day period such Corporation or Shareholder, as the case may be, shall not enter into any agreement in respect thereof with any person other than the Lender or a nominee of the Lender. The applicable Shareholder or Corporation shall ensure that any confidentiality agreement or similar document entered into by it with any third party in connection with any such possible transaction shall permit it to comply with this Section 5.

Section 6 Notices.

Any notice, direction or other communication required or permitted to be given under this Agreement shall be in writing and given by delivering it or sending it by facsimile, email or other similar form of recorded or electronic communication addressed:

- (i) To the Borrower at:

615 Kumpf Dr, Suite 500
Waterloo, ON N2V 1K8
Attention: Steve Livingstone
Telephone: 519-340-1000 ext. 100
Email: slivingstone@ahainsurance.ca

- (ii) To Ignite Insurance at:

615 Kumpf Dr, Suite 500
Waterloo, ON N2V 1K8
Attention: Steve Livingstone
Telephone: 519-340-1000 ext. 100
Email: slivingstone@ahainsurance.ca

- (iii) To Ignite Holdings at:

615 Kumpf Dr, Suite 500
Waterloo, ON N2V 1K8
Attention: Steve Livingstone

Telephone: 519-340-1000 ext. 100
Email: slivingstone@ahainsurance.ca

(iv) to the Lender by email at:

Email: generalcounsel.ca@aviva.com

to the Lender other than by email at:

10 Aviva Way, Suite 100
Markham, Ontario
L6G 0G1

Attention: Chief Financial Officer
Telephone: 365-873-5966

With a copy to the same address:

Attention: General Counsel and Chief Legal Officer
Telephone: 365-873-5038

Any communication shall be deemed to have been validly and effectively given (a) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (local time in place of receipt), (b) if transmitted by facsimile, email or similar means of recorded or electronic communication, on the Business Day following the date of transmission. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.

Section 7 General.

- (1) Each of the Corporations and the Shareholder agrees to cause such meetings of each of the Corporations to be held, resolutions passed, by-laws enacted, agreements and other documents signed and things performed or done as may be required:
 - (a) to provide for the execution, delivery and performance of this Agreement;
 - (b) to sanction, approve, consent to and otherwise facilitate any transfer of shares or assets made in compliance with, or which is required to be made by, any provision of this Agreement; and

- (c) to cause notice of this Agreement to appear conspicuously on the face of all share certificates representing the shares of the Corporations.
- (2) Each of the Corporations and Shareholder hereby (i) irrevocably waives any rights it may have under any unanimous shareholder agreement with respect to any of the Corporations (a “USA”) or otherwise to impose any requirements, obligations, terms, conditions or restrictions on the Lender, any nominee of the Lender or any subsequent third party transferee of the Shares that acquires any of the Shares through the Lender or a nominee of the Lender, and (ii) acknowledges and agrees that (x) the Lender shall not have any obligations or liabilities under, or otherwise be bound by, any USA prior to, upon or subsequent to, any acquisition of Shares, and (y) to the extent that any USA provides for a right of first refusal, right of first offer or similar right with respect to any Shares, such rights shall be subject to the right of first refusal granted pursuant to this Agreement.
- (3) This Agreement is binding on each of the parties and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns, as the case may be. This Agreement may be assigned by the Lender in connection with an assignment by the Lender of the Letter Agreement in accordance therewith and, in such event, such assignee of the Lender will be entitled to all of the rights Lender as set forth in this Agreement or otherwise. In any action brought by an assignee to enforce any such right or remedy, the other parties hereto will not assert against the assignee any claim or defence which such parties now have or may have against the Lender. None of the parties hereto (other than the Lender) may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Lender which may be unreasonably withheld.
- (4) Additional person who becomes a shareholder in any Corporation after the date of this Agreement may become a party to this Agreement by executing and delivering to the Lender a supplemental agreement (a “**Supplement**”) to this Agreement in substantially the form attached as Schedule “A” to this Agreement. Effective from and after the date of the execution and delivery by any such person to the Lender of a Supplement, such person shall be, and shall be deemed for all purposes to be, a Shareholder under this Agreement. The execution and delivery of a Supplement by any person shall not require the consent of any other party to this Agreement and this Agreement shall remain in full force and effect notwithstanding the addition of any additional Shareholder as a party to this Agreement.
- (5) Time shall be of the essence in this Agreement.

- (6) 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.
- (7) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the parties. Any amendment, waiver or consent is effective only in the specific instance and for the specific purpose for which it was given.
- (8) This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and, notwithstanding the date of execution, shall be deemed to bear date as of the date written in the beginning of this Agreement.
- (9) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date first above written.

IGNITE SERVICES INC.

IGNITE HOLDINGS INC.

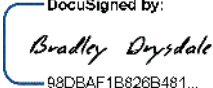
By: _____
Name:
Title:

By: _____
Name:
Title:

IGNITE INSURANCE CORPORATION

By: _____
Name:
Title:

AVIVA INSURANCE COMPANY OF CANADA

By:  _____
Name: Bradley Drysdale
Title: Authorized Signatory

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date first above written.

IGNITE SERVICES INC.

By: 
Name: Stephen D. Livingstone
Title: President and Secretary

IGNITE HOLDINGS INC.

By: 
Name: Stephen D. Livingstone
Title: President and Secretary

IGNITE INSURANCE CORPORATION

By: 
Name: Stephen D. Livingstone
Title: President and Secretary

AVIVA INSURANCE COMPANY OF CANADA

By: _____
Name:
Title:

SCHEDULE "A"
SUPPLEMENTAL AGREEMENT NO. •
TO
RIGHT OF FIRST REFUSAL AGREEMENT DATED NOVEMBER 15, 2021
ENTERED INTO WITH RESPECT TO CERTAIN INDEBTEDNESS
OF IGNITE SERVICES INC.

Supplement dated • made in favour of Aviva Insurance Company of Canada (the "**Lender**").

RECITALS:

- (a) Reference is made to the right of first refusal agreement (such agreement as it may at any time or from time to time be amended, supplemented, restated or replaced, the "**ROFR Agreement**") dated November 15, 2021 entered into amongst certain persons and the Lender with respect to a credit facility made by the Lender in favour of Ignite Services Inc.;
- (b) Section 7(4) of the ROFR Agreement provides that additional persons who become a Shareholder after the date of the ROFR Agreement may become a party to the ROFR Agreement as a Shareholder by executing and delivering to the Lender a supplemental agreement to the ROFR Agreement in the form of this Supplement;
- (c) The undersigned has acquired shares in the capital of [**NAME OF APPLICABLE CORPORATION**] and has agreed to deliver this Supplement to the Lender and, as a result thereof, become a Shareholder that is party under the ROFR Agreement.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged by the undersigned, the undersigned covenants and agrees with the Lender as follows:

- 1. The undersigned has received a copy of, and has reviewed, the ROFR Agreement in existence on the date of this Supplement and is executing and delivering this Supplement to the Lender pursuant to Section 7(4) of the ROFR Agreement.
- 2. Effective from and after the date of this Supplement is executed and delivered to the Lender, the undersigned is, and shall be deemed for all purposes to be, a Shareholder under the ROFR Agreement with the same force and effect as if the undersigned was an original signatory to the

ROFR Agreement as a Shareholder. The terms and provisions of the ROFR Agreement are incorporated by reference in this Supplement.

3. Capitalized terms used but not otherwise defined in this Supplement have the respective meanings given to such terms in the ROFR Agreement.
4. This Supplement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
5. This Supplement and the ROFR Agreement shall be binding upon the undersigned and the undersigned's heirs, executors, personal representatives, successors and permitted assigns, as applicable. The undersigned may not assign any of the undersigned's obligations under the ROFR Agreement or this Supplement.

IN WITNESS OF WHICH this Supplement has been duly executed and delivered by the undersigned as of the date indicated on the first page of this Supplement.

WITNESS

[NAME]

EXHIBIT "L"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:
Ravira Hammad
3CCD226759524E3...

Commissioner for Taking Affidavits

Toronto Memorandum

To: Philip Yang
From: Beatrice Lorusso / 416-869-7086
Re: Ignite Entities
File No.: 139259-1012
Date: September 22, 2023

The purpose of this memorandum is to summarize the results of the various searches we have caused to be conducted in the Province of Ontario against the entities listed below.

This memorandum has been prepared for internal purposes only, and we refer you to the “Limitation” at the end of this memorandum with respect to its scope. Only the addressee(s) of this memorandum may rely on it.

- Ignite Services Inc.
- Ignite Holdings Inc.
- Ignite Insurance Corporation

(The “**Searched Entities**”)

PERSONAL PROPERTY SECURITY ACT (ONTARIO) (THE “PPSA”)

The purpose of this search is to determine whether any secured party has perfected, by registration of a financing statement, any security interest in respect of any of the personal property of the Searched Entity in respect of which the PPSA applies. The registration system established under the PPSA is a province-wide system and our search would therefore disclose any registrations effected under the PPSA in the Province of Ontario.

Our search revealed the PPSA registrations outlined in Schedule “A” appearing against the Searched Entities as of September 21, 2023.

* * * * *

LIMITATION

This memorandum summarizes the searches of the public record that you have requested and that we have conducted or caused to be conducted and the results of such searches. However, the public records, certificates and documents supplied by or otherwise conveyed to us by public officials or their authorized service providers and summarized in this memorandum may be incomplete or contain inaccuracies. This memorandum is merely a summary report of the results obtained pursuant to the searches conducted, and does not represent, and we do not express, an opinion with respect to the

Stikeman Elliott

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existence or non-existence of any security interests, liens or other interests affecting the Searched Entity or any of its property, or with respect to any other matters referred to herein.

/bI

SCHEDULE “A”
PERSONAL PROPERTY SECURITY ACT (ONTARIO)

SEARCH SUMMARY WITH RESPECT TO:

Ignite Services Inc.

File Currency: September 21, 2023

	File No.	Reg. No.	Debtors	Secured Parties	Collateral Classification
1.	795107196 PPSA	20230710 1501 1031 9403 Reg. 05 year(s) Expires 07/10/2028	IGNITE SERVICES INC.	HIS MAJESTY IN RIGHT OF ONTARIO REPRESENTED BY THE MINISTER OF FINANCE	Inventory Equipment Accounts Other
		Amount Secured: \$49532 Maturity Date: July 10, 2028			
	File No.	Reg. No.	Debtors	Secured Parties	Collateral Classification
2.	788546565 PPSA	20221117 1107 1031 4709 Reg. 05 year(s) Expires 11/17/2027	IGNITE SERVICES INC. AHA INSURANCE	HER MAJESTY IN RIGHT OF ONTARIO REPRESENTED BY THE MINISTER OF FINANCE	Inventory Equipment Accounts Other
		Amount Secured:			

Stikeman Elliott

		\$4652 Maturity Date: November 17, 2027			
	File No.	Reg. No.	Debtors	Secured Parties	Collateral Classification
3.	777882789 PPSA	20211102 1508 1902 2205 Reg. 07 year(s) Expires 11/02/2028	IGNITE SERVICES INC.	AVIVA INSURANCE COMPANY OF CANADA	Inventory Equipment Accounts Other Motor Vehicle Included

PERSONAL PROPERTY SECURITY ACT (ONTARIO)

SEARCH SUMMARY WITH RESPECT TO:

Ignite Holdings Inc.

File Currency: September 21, 2023

	File No.	Reg. No.	Debtors	Secured Parties	Collateral Classification
1.	777882564 <i>PPSA</i>	20211102 1504 1902 2202 Reg. 07 year(s) Expires 11/02/2028	IGNITE HOLDINGS INC.	AVIVA INSURANCE COMPANY OF CANADA	Accounts Other

PERSONAL PROPERTY SECURITY ACT (ONTARIO)

SEARCH SUMMARY WITH RESPECT TO:

Ignite Insurance Corporation

File Currency: September 21, 2023

	File No.	Reg. No.	Debtors	Secured Parties	Collateral Classification
1.	777882753 PPSA	20211102 1506 1902 2204 Reg. 07 year(s) Expires 11/02/2028	IGNITE INSURANCE CORPORATION	AVIVA INSURANCE COMPANY OF CANADA	Inventory Equipment Accounts Other Motor Vehicle Included

Vancouver Memorandum

To: Beatrice Lorusso
From: Cindy Nguyen / +1 604 631 1431
Re: Ignite Services Inc. et al.
BC Search Results
File No: 139259-1012
Date: September 22, 2023

The purpose of this memorandum is to summarize the results of the various searches we have caused to be conducted in the Province of British Columbia.

This memorandum has been prepared for internal purposes only, and we refer you to the "Limitation" at the end of this memorandum with respect to its scope. Only the addressee(s) of this memorandum may rely on it.

We conducted searches against the following names (collectively, the "**Specified Names**"):

Ignite Services Inc.;
Ignite Holdings Inc.; and
Ignite Insurance Corporation.

We conducted searches on the Specified Names (copies enclosed) with the following registries/agencies:

1. BC Personal Property Registry;

1. BC PERSONAL PROPERTY REGISTRY

The purpose of this search is to determine whether any secured party has perfected, by registration of a financing statement, any security interest in respect of any of the personal property of the Specified Names in respect of which the *Personal Property Security Act* (British Columbia) (the "**PPSA**") applies. The registration system established under the PPSA is a province-wide system and our search would therefore disclose any registrations effected under the PPSA in the Province of British Columbia.

Search(es) disclosed the following:

Searched Name(s):	the Specified Names
Currency Date(s):	September 22, 2023, as of the dates(s) and time(s) indicated on the search(es).
Disclosed Information:	Nil

Please note that each registration in respect of "PPSA Security" is also a sufficient registration of an uncrystallized floating charge on land, even if the registration does not indicate this.

Stikeman Elliott

* * * * *

LIMITATION

This memorandum summarizes the searches of the public record that you have requested and that we have conducted or caused to be conducted and the results of such searches. However, the public records, certificates and documents supplied by or otherwise conveyed to us by public officials or their authorized service providers and summarized in this memorandum may be incomplete or contain inaccuracies. This memorandum is merely a summary report of the results obtained pursuant to the searches conducted, and does not represent, and we do not express, an opinion with respect to the existence or non-existence of any security interests, liens or other interests affecting the Specified Names or any of their property, or with respect to any other matters referred to herein.

Search ID #: Z16593211

Transmitting Party

STIKEMAN ELLIOTT LLP

4300 BANKERS HALL WEST-888 3 ST SW
CALGARY, AB T2P 5C5

Party Code: 50073519
Phone #: 403 266 9000
Reference #: 139259.1012

Search ID #: Z16593211

Date of Search: 2023-Sep-22

Time of Search: 07:57:12

Business Debtor Search For:

IGNITE HOLDINGS INC.

No Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

Result Complete



**Personal Property Registry
Search Results Report**

Page 1 of 1

Search ID #: Z16593215

Transmitting Party

STIKEMAN ELLIOTT LLP

4300 BANKERS HALL WEST-888 3 ST SW
CALGARY, AB T2P 5C5

Party Code: 50073519
Phone #: 403 266 9000
Reference #: 139259.1012

Search ID #: Z16593215

Date of Search: 2023-Sep-22

Time of Search: 07:58:04

Business Debtor Search For:

IGNITE INSURANCE CORPORATION

No Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

Result Complete



Search ID #: Z16593208

Transmitting Party

STIKEMAN ELLIOTT LLP

4300 BANKERS HALL WEST-888 3 ST SW
CALGARY, AB T2P 5C5

Party Code: 50073519
Phone #: 403 266 9000
Reference #: 139259.1012

Search ID #: Z16593208

Date of Search: 2023-Sep-22

Time of Search: 07:55:54

Business Debtor Search For:

IGNITE SERVICES INC.

No Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

Result Complete



EXHIBIT "M"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:

Rania Hammad

3CCD226759524E3...

Commissioner for Taking Affidavits

EXECUTION VERSION

PURCHASE AGREEMENT

SOUTHAMPTON FINANCIAL INC.
as Purchaser

- and -

IGNITE HOLDINGS INC.
as Vendor

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PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is made as of the 26th day of October, 2023.

AMONG:

SOUTHAMPTON FINANCIAL INC.

(**"Purchaser"**)

-and-

IGNITE HOLDINGS INC.

(**"Vendor"**)

RECITALS:

- A.** Ignite Services Inc. (the **"Company"**) is a life and property and casualty insurance retail insurance brokerage which offers home, condo, tenant, personal auto, motorcycle, trailer, leisure, travel and pet insurance products and services, along with the referral of life insurance products and services to third parties (collectively, the **"Business"**).
- B.** Company and Vendor intend to seek an order (as may be amended from time to time, the **"Initial Order"**) from the Ontario Superior Court of Justice (Commercial List) (the **"CCAA Court"**) for the Company and Vendor to, among other things, obtain creditor protection under the *Companies' Creditors Arrangement Act* (the **"CCAA"**).
- C.** Vendor has agreed to sell and transfer to Purchaser, and Purchaser has agreed to purchase from Vendor, all of Vendor's right, title and interest in and to the Purchased Shares, subject to and in accordance with the terms and conditions set forth in this Agreement and the CCAA Proceedings.

NOW THEREFORE, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement,

"Administration Charge" has the meaning given to it in the Initial Order.

"Administrative Expense Amount" means cash in an amount equal to the Administrative Expense Costs and CCAA Charge Amount, to be paid by the Company to the Monitor on the Closing Date out of the cash and cash equivalents of the Company as at the Closing Date and held in trust by the Monitor for the benefit of Persons entitled to be paid the Administrative Expense Costs and CCAA Charge Amount, subject to the terms hereof.

"Administrative Expense Costs" means the reasonable and documented fees and costs of the Monitor and its professional advisors and professional advisors of the Company and Residual Co. in each case for services performed prior to and, other than in respect of the Company, after the Closing Date, in each case, relating directly or indirectly to the CCAA Proceedings, and this Agreement and including (i) costs required to wind down and dissolve

or bankrupt Residual Co.; and (ii) costs and expenses required to administer the Excluded Assets, Excluded Liabilities, and Residual Co.

"Affiliate" means, with respect to any specified Person, any other Person which, directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, "control" (including, with correlative meanings, the terms **"controlling," "controlled by"** and **"under common control with"**), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise). For greater certainty, an Affiliate of a Person shall include such Person's investment funds and managed accounts and any funds managed or directed by the same investment advisor. Notwithstanding the above, Purchaser and its Affiliates, on one hand, and the Company and Residual Co., on the other hand, shall not be considered Affiliates of each other for the purposes of this Agreement.

"Agreement" means this purchase agreement and all attachments, Schedules and Exhibits, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions **"hereof," "herein," "hereto," "hereunder," "hereby"** and similar expressions refer to this purchase agreement and all attached Exhibits, and unless otherwise indicated, references to Articles, Sections, Schedules and Exhibits are to Articles, Sections, Schedules and Exhibits in this purchase agreement.

"Applicable Law" means any transnational, domestic or foreign, federal, provincial, territorial, state, local or municipal (or any subdivision of any of them) law (including common law and civil law), statute, ordinance, rule, regulation, restriction, limit, by-law (zoning or otherwise), judgment, order, direction or any consent, exemption, or any other legal requirements of, or agreements with, any Governmental Authority, that applies in whole or in part to the Transaction, Company, Vendor, Purchaser, the Business, any of the Purchased Shares or any of the Retained Liabilities.

"Business" has the meaning given to such term in Recital A.

"Business Day" means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto, Ontario are open for commercial banking business during normal banking hours.

"Capital Contribution" has the meaning given to such term in Section 2.8(a)(iii).

"Capitalization Steps" has the meaning given to such term in Section 2.8(a).

"Causes of Action" means any action, claim, cross claim, third-party claim, damage, judgment, cause of action, controversy, demand, right, action, suit, obligation, liability, debt, account, defense, offset, power, privilege, license, lien, indemnity, interest, guaranty, or franchise of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, matured or unmatured, suspected or unsuspected, in contract or in tort, at law or in equity, or pursuant to any other theory of law or otherwise, of the Company against any Person, in each case based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Closing Time (which Causes of Action for the avoidance of doubt shall be retained by the Company on Closing).

“CCAA” has the meaning given to such term in Recital B.

“CCAA Charge Amount” means cash in an amount sufficient to satisfy the amounts owing in respect of obligations secured by the CCAA Charges (without duplication to amounts satisfied as Administrative Expense Costs, Employee Priority Claims or Priority Payments).

“CCAA Charges” means the Administration Charge, the DIP Lender’s Charge and the Directors’ Charge.

“CCAA Court” has the meaning given to such term in Recital B.

“CCAA Proceedings” means the proceedings commenced under the CCAA by the Company and Vendor pursuant to the Initial Order.

“Claims” means any and all demands, claims, liabilities, actions, causes of action, counterclaims, expenses, costs, damages, losses, suits, debts, sums of money, refunds, accounts, indebtedness, rights of recovery, rights of set-off, rights of recoupment and liens of whatever nature (whether direct or indirect, absolute or contingent, asserted or unasserted, secured or unsecured, matured or not yet matured due or to become due, accrued or unaccrued or liquidated or unliquidated) and including all costs, fees and expenses relating thereto.

“Closing” means the closing and consummation of the Transaction.

“Closing Date” means a date no later than five (5) Business Days after the conditions set forth in Article 7 have been satisfied or waived, other than the conditions set forth in Article 7 that by their terms are to be satisfied or waived at the Closing (or such other date agreed to by the Parties in writing); provided that, if there is to be a Closing hereunder, then the Closing Date shall be no later than the Outside Date.

“Closing Documents” means all Contracts, agreements, certificates and instruments required by this Agreement to be delivered at or before the Closing.

“Closing Time” means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.

“Company” has the meaning given to such term in the preamble to this Agreement.

“Contract” means any contract, agreement, lease (including any offer to lease or any sublease), license, commitment, understanding or other arrangement, whether written or oral.

“Deposit” has the meaning given to such term in Section 3.2(a).

“DIP Lender’s Charge” has the meaning given to it in the Initial Order.

“Directors Charge” has the meaning given to it in the Initial Order.

“Employee Priority Claims” means any Claim for (i) unpaid priority costs for any of the Terminated Employees whose employment is terminated between the Filing Date and up to and including the Closing Date, and (ii) unpaid amounts provided for in Section 6(5)(a) of the CCAA.

“Encumbrance” means any security interest (whether contractual, statutory or otherwise), lien, prior claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, trust (including any statutory, deemed or constructive trust), option or adverse claim or encumbrance of any nature or kind.

“Equity Interests” means any capital share, capital stock, partnership, membership, joint venture or other ownership or equity interest, participation or securities (whether voting or nonvoting, whether preferred, common or otherwise, and including share appreciation, contingent interest or similar rights) of a Person.

“Excluded Assets” has the meaning given to such term in Section 2.2.

“Excluded Contracts” means the Contracts of the Company specified on Schedule 2.2(b).

“Excluded Liabilities” has the meaning given to such term in Section 2.4.

“Filing Date” means October 30, 2023.

“Final Order” means with respect to any order or judgment of the CCAA Court, or any other court of competent jurisdiction or arbitrator or panel of arbitrators, with respect to the subject matter addressed in the CCAA Proceedings or the docket of any court of competent jurisdiction or arbitration proceeding administered by any arbitrator or panel of arbitrators, that such order or judgment has not been vacated, set aside, reversed, stayed, modified or amended, and as to which the applicable periods to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired and no appeal, leave to appeal, or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken or filed, or as to which any appeal has been taken or any petition for certiorari or leave to appeal that has been timely filed has been withdrawn or resolved in a manner acceptable to Vendor, and Purchaser, as the case may be, each acting reasonably, by the highest court to which the order or judgment was appealed or from which leave to appeal or certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order or has otherwise been dismissed with prejudice.

“Fundamental Representations and Warranties of Purchaser” means the representations and warranties of Purchaser included in Sections 5.1 (*Due Authorization and Enforceability of Obligations*), 5.2 (*Existence and Good Standing*), and 5.4 (*Absence of Conflicts*).

“Fundamental Representations and Warranties of Vendor” means the representations and warranties of Vendor included Sections 4.1 (*Due Authorization and Enforceability of Obligations*), 4.2 (*Existence and Good Standing*), 4.7 (*Ownership of Purchased Shares, etc.*), 4.8 (*Residence*), and 4.9 (*Subsidiaries*).

“Governmental Authority” means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them, or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

“IFRS” means the International Financial Reporting Standards, at the relevant time, applied on a consistent basis.

“Initial Order” has the meaning given to such term in Recital B.

“Insurance Regulators” means the Registered Insurance Brokers of Ontario, the Financial Services Regulatory Authority of Ontario, the Insurance Council of British Columbia and the Alberta Insurance Council.

“Inter-Company Agreements” has the meaning given to such term in Schedule 1.1.

“Intercompany Claim” means any claim that may be asserted against the Company by or on behalf of (i) any the Company’s Affiliates, (ii) Katstan, or (iii) any Person that holds Equity Interest in Katstan, but for greater certainty excludes the Intercompany Loan.

“Intercompany Loan” means the contingent indebtedness in an aggregate amount of \$ [REDACTED] owing by the Company to Vendor, represented by an interest free, adjustable promissory note to be issued by the Company in favour of Vendor as part of the Pre-Closing Implementation Steps in the form attached as Exhibit A hereto (the **“Adjustable Promissory Note”**).

“Katstan” means Katstan & Co. Inc.

“KPMG CF” means KPMG Corporate Finance Inc.

“Lien” means any lien, mortgage, pledge, hypothecation, prior claim, charge, security interest, right of first refusal, right of first offer, option, license, transfer restriction or encumbrance of any kind or nature whatsoever.

“Material Adverse Effect” means any effect, change, event, fact, development or occurrence that, individually or in the aggregate, (i) has had or could reasonably be expected to have a material adverse effect on the assets, business, condition (financial or otherwise), prospects, liabilities or results of operations of the Company or (ii) is reasonably likely to prevent or materially impair or delay the ability of Vendor to timely perform any of its obligations hereunder or any of the Closing Documents or to timely consummate the Transactions; provided, however, that for purposes of clause (i) above, none of the following (either alone or in combination) shall be deemed to constitute or be taken into account in determining whether there has been a Material Adverse Effect: (a) any acts of war, terrorism or armed hostilities, (b) any changes in Applicable Law or IFRS after the date hereof, (c) any changes affecting the Canadian or global economy or the insurance brokerage industry generally (including changes resulting from the virus known as COVID-19 (including any variants of the same)), (d) the CCAA Proceedings or any matter related thereto, or (e) the financial condition of the Company or the Business, including any failure by the Company or the Business to meet any internal forecasts, projections, or earnings guidance or expectations, except, in the case of the foregoing clauses (a), (b), and (c), to the extent any of the matters referred to therein has had or could reasonably be expected to have a disproportionate adverse effect on the assets, business, condition (financial or otherwise), prospects, liabilities or results of operations of the Company relative to other companies in the industries in which the Company conducts business.

“Material Contracts” means the contracts listed in Schedule 1.1, and **“Material Contract”** means any one of them.

“Monitor” means KPMG Inc., as Court-appointed monitor of the Company and Vendor in the CCAA Proceedings and not in its personal or corporate capacity.

“Monitor’s Certificate” means the certificate delivered to Purchaser and filed with the CCAA Court by the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from Vendor and Purchaser that all conditions to Closing have been satisfied or waived by the applicable Parties and the Transaction has been completed.

“Order” means any order of the Court made in the CCAA Proceedings, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

“Ordinary Course” means, when used in relation to the taking of any action by any Person, that such action:

- (a) is consistent in nature, scope and magnitude with the past practices (including using commercially reasonable efforts to preserve intact relationships with clients, insurance companies and key employees) of such Person and is taken in the ordinary course of normal day-to-day operations of such Person;
- (b) is similar in nature, scope and magnitude to actions (including using commercially reasonable efforts to preserve intact relationships with clients, insurance companies and key employees) customarily taken in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as such Person; and
- (c) does not require the authorization of the shareholders of such Person or any other separate or special authorization of any nature or kind.

“Organizational Documents” means, with respect to any Person that is not a natural person, the organizational, constating or governing documents or instruments by which such Person establishes its legal existence or which govern its internal affairs (including, in respect of a Person which is a corporation, its articles and by-laws or equivalent constitutional documents).

“Outside Date” means December 7, 2023, or such later date as may be determined by the Parties in writing, but in any event provided that, if, on December 7, 2023, the condition set forth in Section 7.2(h) is the only condition in Article 7 that has not been satisfied or waived, other than the conditions set forth in Article 7 that by their terms are to be satisfied or waived at the Closing (or such other date agreed to by the Parties in writing), but the Parties are complying with their obligations in Section 8.2(g), the Parties shall in good faith determine such a later date as reasonable in the circumstances, but in no event shall such later date be later than January 31, 2024, and once such later date is determined in writing by the Parties, the Parties shall be under no further obligation to determine any further Outside Date in the event the condition under Section 7.2(h) is not satisfied or waived on or before such later date.

“Parties” means Vendor and Purchaser collectively, and **“Party”** means any one of Vendor, and Purchaser, as the context requires.

“Permitted Encumbrances” means the Encumbrances listed in Schedule 1.1(a).

“Person” includes an individual, partnership, firm, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, entity, corporation, unincorporated association, or organization, syndicate, committee, court appointed representative, the government of a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality, or department of such government or political subdivision, or any other entity, howsoever designated or constituted, including any

Taxing Authority, and the trustees, executors, administrators, or other legal representatives of an individual, and for greater certainty includes any Governmental Authority.

"Personal Information" means information about an identifiable individual as defined in Privacy Laws.

"Post-Closing Straddle Tax Period" has the meaning given to such term in Section 8.3(e).

"Post-Filing Claim" or **"Post-Filing Claims"** means any or all indebtedness, liability, or obligation of the Company of any kind that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Closing Date in respect of services rendered or supplies provided to the Company during such period; provided that, for certainty, such amounts do not constitute a Restructuring Period Claim or a Restructuring Period D&O Claim.

"Pre-Closing Implementation Steps" has the meaning given to such term in Section 2.7(c).

"Pre-Closing Straddle Tax Period" has the meaning given to such term in Section 8.3(e).

"Pre-Closing Tax Period" means any Tax period ending on or prior to the Closing Date and any Pre-Closing Straddle Tax Period.

"Priority Payments" means those priority payments prescribed under subsections 6(3), 6(5) and 6(6) of the CCAA, and the amounts owing under the Employee Priority Claims, and including those amounts identified in the Pre-Closing Implementation Steps.

"Privacy Laws" means Applicable Law relating to the collection, access, use, storage, processing, transfer, disclosure, disposal, and protection of Personal Information, including the *Personal Information Protection and Electronic Documents Act* (Canada), and any comparable Applicable Law of any other province or territory of Canada.

"Purchase Price" has the meaning given to such term in Section 3.1.

"Purchased Shares" has the meaning given to such term in Section 2.1(a).

"Purchaser" has the meaning given to such term in the preamble to this Agreement.

"Purchaser Material Adverse Effect" means any effect, change, event, fact, development or occurrence that, individually or in the aggregate, (i) has had or could reasonably be expected to have a material adverse effect on the assets, business, condition (financial or otherwise), prospects, liabilities or results of operations of Purchaser or (ii) is reasonably likely to prevent or materially impair or delay the ability of Purchaser to timely perform any of its obligations hereunder or any of the Closing Documents or to timely consummate the Transactions; provided, however, that for purposes of clause (i) above, none of the following (either alone or in combination) shall be deemed to constitute or be taken into account in determining whether there has been a Purchaser Material Adverse Effect: (a) any acts of war, terrorism or armed hostilities, (b) any changes in Applicable Law or Canadian accounting standards for private enterprises from time to time approved by the Chartered Professional Accountants of Canada after the date hereof, (c) any changes affecting the Canadian or global economy or the insurance brokerage industry generally (including changes resulting from the virus known as COVID-19 (including any variants of the same)), or (d) the CCAA Proceedings or any matter related thereto, except, in the case of the foregoing clauses (a), (b) and (c), to the extent any of the matters referred to therein has had or could reasonably be expected to have a

disproportionate adverse effect on the assets, business, condition (financial or otherwise), prospects, liabilities or results of operations of Purchaser relative to other companies in the industries in which Purchaser conducts business.

“Released Claims” means all claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, informations or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including “claims” as defined in the CCAA and including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

“Residual Co.” means a company to be formed by Vendor, such entity in form satisfactory to Purchaser, acting reasonably, prior to the Closing; provided, that no such entity shall be a flow-through entity for Canadian purposes unless approved by Purchaser.

“Restructuring Period Claim” means any Claim owed by the Company arising out of the restructuring, disclaimer, resiliation, termination or breach by the Company on or after the Filing Date of any Contract, lease or other agreement, whether written or oral.

“Restructuring Period D&O Claim” means any Claim against one or more of the directors or officers of the Company arising after the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of such directors or officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any such director or officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a director or officer.

“Retained Liabilities” has the meaning given to such term in Section 2.3.

“Set-Off Agreement” has the meaning given to such term in Section 11.2(m).

“Straddle Period” has the meaning given to such term in Section 8.3(e).

“Tax” and **“Taxes”** means taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever (including withholding on amounts paid to or by any Person) imposed by any Taxing Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Taxing Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, escheat, property, development, occupancy, employer health, payroll, employment, health, disability, severance, unemployment, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all license, franchise and registration fees and all employment insurance, health insurance and Canada, Ontario and other government pension plan premiums or contributions.

“Tax Act” means the *Income Tax Act* (Canada) and shall also include a reference to any applicable and corresponding provisions under the income tax laws of a province or territory of Canada, as applicable.

“Tax Return” means any return, declaration, report, statement, information statement, form, election, amendment, claim for refund, schedule or attachment thereto or other document filed or required to be filed with a Taxing Authority with respect to Taxes.

“Taxing Authority” means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof, the United States Internal Revenue Service, any similar revenue or taxing authority of the U.S. and each and every state and locality of the U.S., and any Canadian, U.S. or other Governmental Authority exercising taxing authority or power, and **“Taxing Authority”** means any one of the Taxing Authorities.

“Terminated Employees” means, collectively, the individuals employed by the Company, who have been designated, in writing, by Purchaser as terminated employees at least five (5) Business Days prior to Closing, provided that Purchaser shall not be entitled to designate more than five (5) individuals as terminated employees.

“Termination Claim” means any Claim directly relating to the termination of an employee of the Company on or prior to Closing, including all obligations, duties, commitments or liabilities to any terminated employee of the Company including wages, salary, compensation, benefits, vacation pay, holiday pay, sick pay, overtime pay, retention pay, bonuses, commissions, deferred compensation, pensions, profit sharing, other post-employment retirement obligations, liabilities for participation in any benefit plans or equity-based compensation plans maintained by or for the Company, termination pay, severance pay, pay in lieu of notice (whether statutory, contractual or common law), wrongful dismissal damages, costs related to the termination of employment, change of control liabilities, golden parachute payments, human rights damages, and any and all other liabilities or obligations with respect to such terminated employees relating to facts, circumstances or events which relate to, arise from, occurred on or prior to the Closing Date.

“Transaction” means the transactions contemplated by this Agreement, including the purchase and sale of the Purchased Shares and the Pre-Closing Implementation Steps.

“Vesting Order” means an order of the CCAA Court in a form to be mutually agreed upon by Purchaser and Company, each acting reasonably, which order provides for, *inter alia*, the approval of this Agreement and the Transactions.

1.2 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 it or they may have been or may from time to time be amended, re-enacted or replaced.

1.3 Headings, Table of Contents, etc.

The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Agreement. The recitals to this Agreement are an integral part of this Agreement.

1.4 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders.

1.5 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars. References to "\$" are to Canadian dollars.

1.6 Certain Phrases

In this Agreement (i) the words "including", "includes" and "include" and any derivatives of such words mean "including (or includes or include) without limitation" and (ii) the words "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". The expression "Article", "Section" and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Agreement.

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof so long as the economic or legal substance of the Transaction is not affected in any manner materially adverse to any Party. Upon (i) such a determination of invalidity or unenforceability; or (ii) any change in Applicable Law or other action by any Governmental Authority which materially detracts from the legal or economic rights or benefits, or materially increases the obligations, of any Party or any of its Affiliates under this Agreement, the Parties shall negotiate to modify this Agreement in good faith so as to effect the original intent of the Parties as closely as possible in an acceptable manner so that the Transaction be consummated as originally contemplated to the fullest extent possible.

1.8 Knowledge

Any reference to the knowledge of (i) Vendor, means the actual knowledge, after reasonable inquiry of Stephen Livingstone, and (ii) Purchaser, means the actual knowledge, after reasonable inquiry, of Brian Reeve.

1.9 Entire Agreement

This Agreement and the Closing Documents, constitute the entire agreement among the Parties, and set out all the covenants, promises, warranties, representations, conditions and agreements among the Parties in connection with the subject matter of this Agreement, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral among the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and any Closing Document.

1.10 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by Vendor and Purchaser, and provided that such amendment is consented to by the Monitor. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

1.11 Governing Law; Jurisdiction and Venue

This Agreement, the rights and obligations of the Parties under this Agreement, and any Claim or controversy directly or indirectly based upon or arising out of this Agreement or the Transaction (whether based on contract, tort or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. Subject to the terms of Section 12.2, the Parties consent to the jurisdiction and venue of the CCAA Court for the resolution of any such disputes arising under this Agreement. Each Party agrees that service of process on such Party as provided in Section 12.6 shall be deemed effective service of process on such Party.

1.12 Incorporation of Schedules and Exhibits

Any schedule or exhibit attached thereto, and any schedule or exhibit attached to this Agreement, is an integral part of this Agreement.

1.13 Accounting Terms

All accounting terms used in this Agreement are to be interpreted in accordance with IFRS unless otherwise specified.

1.14 Non-Business Days

Whenever payments are to be made or an action is to be taken on a day which is not a Business Day, such payment will be made or such action will be taken on or not later than the next succeeding Business Day.

1.15 Computation of Time Periods

If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Agreement, then the first day of the period is not counted, but the day of its expiry is counted.

ARTICLE 2 PURCHASE AND SALE

2.1 Agreement to Purchase the Purchased Shares

- (a) Upon and subject to the terms and conditions of this Agreement, at the Closing and effective as of the Closing Time, and subject to the completion of the Pre-Closing Implementation Steps required to be completed prior to the Closing Time, Purchaser shall purchase from Vendor, all of the issued and outstanding shares in the capital of the Company (collectively, the “**Purchased Shares**”).

- (b) For the avoidance of doubt, upon the Closing and after completion of the Pre-Closing Implementation Steps, Company shall be wholly-owned by Purchaser.

2.2 Excluded Assets

Notwithstanding any provision of this Agreement to the contrary, as of the Closing, the assets of the Company shall not include any of the following assets (collectively, the “**Excluded Assets**”):

- (a) the Administrative Expense Amount;
- (b) the Excluded Contracts;
- (c) the Capital Contribution;
- (d) all communications, information or records, written or oral, that in any way relate to (i) the Transaction prior to Closing among the Company and any of Vendor, its Affiliates, the Monitor and each of their respective financial, legal and other advisors; (ii) any Excluded Asset; or (iii) any Excluded Liability; and
- (e) any rights which accrue to Residual Co. under this Agreement or any Closing Document.

2.3 Retained Liabilities

Pursuant to this Agreement and the Vesting Order, as of the Closing Time, the obligations and liabilities of the Company shall consist solely of the items explicitly listed below (collectively, the “**Retained Liabilities**”); provided, for the avoidance of doubt, that the Retained Liabilities of the Company pursuant to this Section 2.3 shall continue to be liabilities of the Company (and no other Person) as of the Closing; provided further that Company shall take such steps as are reasonably necessary to ensure that any claim that could give rise to responsible person liability is satisfied if the Company is, for any reason, unable to satisfy such claim:

- (a) all Post-Filing Claims;
- (b) all liabilities of the Company arising after Closing that relate to events or circumstances that occurred after Closing;
- (c) all Tax liabilities of the Company other than any Tax liabilities attributable to any Pre-Closing Tax Period; and
- (d) the Intercompany Loan.

2.4 Excluded Liabilities

Except as expressly retained pursuant to or specifically contemplated by Section 2.3, all Claims and all debts, obligations, and liabilities of the Company or any predecessors of the Company, of any kind or nature, shall be assigned and become the exclusive responsibility of Residual Co. pursuant to the terms of the Vesting Order and this Agreement, and, as of the Closing, the Company shall not have any obligation, duty, or liability of any kind whatsoever, except as expressly retained pursuant to Section 2.3, whether accrued, contingent, known or unknown, express or implied, primary or secondary, direct or indirect, liquidated, unliquidated, absolute, accrued, contingent or otherwise, and whether due or to become due, and all such liabilities or obligations shall be the exclusive responsibility of Residual Co., including, *inter alia*, the non-exhaustive list of liabilities set forth in Schedule 2.4, and

any and all liability relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which the Company may be bound as at Closing, all liabilities relating to or under the Excluded Contracts, and Excluded Assets, liabilities for employees whose employment with Company or its Affiliates is terminated on or before Closing, including the Restructuring Period Claims, and the Restructuring Period D&O Claims (collectively, the **"Excluded Liabilities"**). For avoidance of doubt, Excluded Liabilities (i) shall include (a) all Taxes allocable to any Pre-Closing Tax Period, and (b) any Termination Claims; and (ii) shall not include any debts, obligations, liabilities or Encumbrances that are or are deemed to be an interest in land and, to the extent that any of the Excluded Liabilities listed in Schedule 2.4 hereof is determined by the Court to be an interest in land, and any interest in land shall be deemed to be Retained Liabilities hereunder. Purchaser may, with the consent of the Company, which consent shall not be unreasonably withheld or conditioned, amend the clarifying items listed in Schedule 2.4 as specifically enumerated Excluded Liabilities no later than five (5) Business Days before the Closing Date.

2.5 Transfer of Excluded Liabilities to Residual Co.

On the Closing Date, pursuant to the terms of the Vesting Order, Vendor shall cause the Company to assign and transfer the Excluded Liabilities to Residual Co., and Residual Co. shall irrevocably assume the applicable Excluded Liabilities. All of the Excluded Liabilities shall be fully discharged from the Company at Closing, pursuant to the Vesting Order.

2.6 Transfer of Excluded Assets to Residual Co.

On the Closing Date, pursuant to the terms of the Vesting Order and, where applicable, in consideration for Residual Co. assuming the Excluded Liabilities pursuant to Section 2.5 from the Company, Vendor shall cause the Company to assign and transfer the Excluded Assets to Residual Co. and the Excluded Assets shall be fully vested in Residual Co. pursuant to the Vesting Order.

2.7 Pre-Closing and Closing Reorganization

- (a) The specific mechanism for implementing the Closing, and the structure of the Transaction shall be structured in a tax efficient manner, mutually agreed upon by the Parties, each acting reasonably.
- (b) Vendor shall cause the Company to effect on or prior to the Closing Date all transactions in accordance with all Applicable Laws and Vendor shall consider in good faith any reasonable comments provided by Purchaser to settle all or part of the Intercompany Claims.
- (c) On or prior to the Closing Date, Vendor shall effect and cause the Company to effect the transaction steps and pre-closing reorganization (collectively, the **"Pre-Closing Implementation Steps"**) of the Company as set forth on Schedule 2.7(c) (such Schedule to be agreed upon by Vendor and Purchaser, each acting reasonably, at least seven (7) days prior to the hearing of Vendor's and the Company's motion to the CCAA Court seeking the Vesting Order), and each of the Pre-Closing Implementation Steps shall be completed by Vendor and the Company in accordance with all Applicable Laws; provided that in no event will the Pre-Closing Implementation Steps described in Schedule 2.7(c) impair or delay the satisfaction of all other conditions to Closing set out in Article 7 or be materially prejudicial to the interests of the Company, Purchaser or Vendor under the other sections of this Agreement. The Pre-Closing Implementation Steps may include, the formation of new entities required to implement the Transaction in a Tax efficient manner consistent with Section 2.7(a).

- (d) Pre-Closing Implementation Steps shall occur, and be deemed to have occurred in the order and manner to be set out in Schedule 2.7(c).
- (e) The steps to be taken and the compromises and releases to be effective on the Closing Date are deemed to occur and be effected in the steps and sequential order set forth in Schedule 2.7(c), beginning on or before the Closing Date at such time as is specified therein.

2.8 Capitalization of Company

- (a) On the Closing Date but prior to the Closing Time, the following transactions shall be completed by the applicable Parties set out below (the “**Capitalization Steps**”):
 - (i) Purchaser shall pay or cause to be paid to Vendor \$ [REDACTED] (the “**Vendor Loan**”) by wire transfer of immediately available funds, as a demand, non-interest bearing loan, for the purpose of Vendor using the Vendor Loan to subscribe for Common shares in the capital of the Company, issued from treasury, as set out in Section 2.8(a)(iii) below;
 - (ii) Vendor shall deliver an interest-free, promissory note in favour of Purchaser, in the form and substance agreed to between Vendor and Purchaser, each acting reasonably, in the principal amount of \$ [REDACTED] (the “**Promissory Note**”), representing the Vendor Loan;
 - (iii) Vendor shall use the Vendor Loan to subscribe for 10,000,000 Common shares in the capital of the Company issued from treasury for an aggregate subscription price equal to [REDACTED] (the “**Capital Contribution**”); and
 - (iv) Vendor shall cause the Company to direct Vendor to pay the Capital Contribution to the Monitor for the benefit of Residual Co.

ARTICLE 3 PURCHASE PRICE AND RELATED MATTERS

3.1 Purchase Price

The aggregate purchase price payable by Purchaser for the Purchased Shares shall be [REDACTED] (the “**Purchase Price**”).

3.2 Deposit

- (a) Purchaser shall pay on the date hereof a refundable deposit in the amount of [REDACTED], representing [REDACTED] % of the Purchase Price, to Stikeman Elliott LLP, in trust (the “**Deposit**”).
- (b) Promptly upon issuance of the Initial Order and appointment of the Monitor by the Court pursuant to the Initial Order, the Vendor shall cause Stikeman Elliott LLP to pay the Deposit to the Monitor, in trust.
- (c) Concurrent with the Purchaser’s payment of the Vendor Loan, the full amount of the Deposit shall be immediately returned by the Monitor to Purchaser or as otherwise directed, in writing, by the Purchaser.

- (d) If Closing of the Transaction does not occur, the right to the Deposit shall be determined in accordance with Section 10.2 hereof.

3.3 Satisfaction of Purchase Price

The Purchase Price for the Purchased Shares shall be considered fully and finally satisfied by way of set off against the Vendor Loan, and Vendor and Purchaser acknowledge and agree, that following the set off of the Purchase Price and the Vendor Loan, no amount shall be outstanding between the Parties in connection with the Vendor Loan, and the Promissory Note shall be cancelled effective as at the Closing Time.

3.4 Contribution Intercompany Loan

At the Closing Time, Vendor shall contribute, as a capital contribution to Residual Co, Vendor's contingent right to receive payment, if any, under the Intercompany Loan to Residual Co.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF VENDOR

Vendor represents and warrants to Purchaser as follows, and acknowledges that Purchaser is relying upon the following representations and warranties in connection with its purchase of the Purchased Shares:

4.1 Due Authorization and Enforceability of Obligations

Subject to the granting of the Initial Order and the Vesting Order, this Agreement and each Closing Document by which Vendor or Company is party have been duly authorized, executed and delivered by Vendor and Company party thereto and (assuming due authorization, execution and delivery by the other parties hereto and thereto) constitutes a legal, valid and binding obligation of Vendor or the Company party thereto, enforceable against Vendor and the Company party thereto in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

4.2 Existence and Good Standing

Each of Vendor and Company is validly existing and in good standing under the laws of the jurisdiction of its incorporation, and (i) has all requisite power and authority to execute and deliver this Agreement and each Closing Document to which it is party; and (ii) has taken all requisite corporate or other action necessary for it to execute and deliver this Agreement and each Closing Document to which it is party, and to perform its obligations under the Agreement and each Closing Document to which it is party, including the consummation of the Transaction.

4.3 Sophisticated Party

Vendor (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement; (ii) has conducted its own analysis and made its own decision to enter into this Agreement and has obtained such independent advice in this regard as it deems

appropriate; and (iii) has not relied on the analysis or decision of any Person other than its own independent advisors.

4.4 Absence of Conflicts

The execution and delivery by Vendor of this Agreement and each Closing Document to which it is party, and the execution and delivery by the Company of each Closing Document to which it is party, and the completion by Vendor and the Company of each of their respective obligations under Agreement and each Closing Document to which it is party and the consummation of the Transaction (i) do not and will not violate or conflict with any Applicable Law and (ii) will not result (with due notice or the passage of time or both) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under the certificate of incorporation, articles, by-laws or other constituent documents of Vendor or Company. Subject to the granting of the Initial Order and the Vesting Order, the execution, delivery and performance by Vendor of this Agreement does not and will not violate any Order.

4.5 Approvals and Consents

Except as set out in Schedule 4.5, the execution and delivery of this Agreement by Vendor, along with each Closing Document to which Vendor or Company is party, and the completion by Vendor and Company of each of their respective obligations under the Agreement and each Closing Document to which it is party, and the consummation by Vendor and Company of the Transaction, do not and will not require any consent or approval or other action, with or by, any Governmental Authority, other than as may be required in connection with the CCAA Proceedings, including the entry of the Initial Order and the Vesting Order by the CCAA Court.

4.6 No Actions

There is not, as of the date hereof, pending or, to the knowledge of Vendor, threatened against Vendor or Company or any of its properties, nor has Vendor or Company received any written notice in respect of, any claim, potential claim, litigation, action, suit, arbitration, investigation or other proceeding before any Governmental Authority, arbitrator, panel of arbitrators, or legislative body, other than the CCAA Court, that would prevent Vendor from executing and delivering this Agreement or performing its obligations hereunder or prevent Vendor or Company from consummating the Transaction.

4.7 Ownership of Purchased Shares, etc.

Vendor owns beneficially and of record, and has good and valid title to the Purchased Shares, free and clear of all Liens other than transfer restrictions generally imposed by applicable securities laws and in the Organizational Documents of Company. No Person other than Purchaser has, or has any right capable of becoming, any agreement, option, right or privilege for the purchase or other acquisition from Vendor of any of the Purchased Shares. The Purchased Shares owned by Vendor have been validly issued in compliance with Applicable Law and are fully paid and non-assessable.

4.8 Residence

Vendor is not a non-resident of Canada within the meaning of the Tax Act.

4.9 Subsidiaries

Except as disclosed in Schedule 4.9, the Company does not have any subsidiaries.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Vendor as follows, and acknowledges that Vendor is relying upon the following representations and warranties in connection with the sale of the Purchased Shares:

5.1 Due Authorization and Enforceability of Obligations

This Agreement and each Closing Document by which it is bound has been duly authorized, executed and delivered by Purchaser, and, assuming the due authorization, execution and delivery by it, this Agreement constitutes a legal, valid and binding obligation of it, enforceable against it (assuming due authorization, execution and delivery by the other parties hereto and thereto) in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

5.2 Existence and Good Standing

Purchaser is validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has all requisite power and authority to execute and deliver this Agreement and each Closing Document by which it is bound and to perform its obligations hereunder and consummate the Transaction.

5.3 Sophisticated Party

Purchaser (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement; (ii) has had the opportunity to conduct and has conducted its own analysis, review, investigation, inspection and due diligence with respect to the Business, the Company and the Purchased Shares, and has made its own decision to enter into this Agreement and has obtained such independent advice in this regard as it deems appropriate; and (iii) has not relied on the analysis, review, investigation, inspection, due diligence or decision of any Person other than its own independent advisors.

5.4 Absence of Conflicts

The execution and delivery of this Agreement by Purchaser and each Closing Document by which it is bound and the completion by Purchaser of its obligations hereunder and thereunder and the consummation of the Transaction do not and will not violate or conflict with any Applicable Law, or any of its properties or assets, and will not result (with due notice or the passage of time or both) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under its certificate of incorporation, articles, by-laws or other constituent documents.

5.5 Approvals and Consents

The execution and delivery of this Agreement by Purchaser each Closing Document by which it is bound and the completion by Purchaser of its obligations hereunder and thereunder and the consummation by Purchaser of the Transaction, do not and will not require any consent or approval

or other action, with or by, any Governmental Authority, other than the granting of the Initial Order and the Vesting Order by the CCAA Court.

5.6 No Actions

There is not, as of the date hereof, pending or, to the knowledge of Purchaser, threatened against it or any of its properties, nor has Purchaser received notice in respect of, any claim, potential claim, litigation, action, suit, arbitration, investigation or other proceeding before any Governmental Authority, arbitrator, panel of arbitrators, or legislative body, other than the CCAA Court, that, would prevent it from executing and delivering this Agreement, performing its obligations hereunder or consummating the Transaction.

5.7 Accredited Investor

Purchaser is an “accredited investor”, as such term is defined in NI 45-106, and it was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” in NI 45-106. The Purchased Shares are being acquired by Purchaser for its own account, and not with a view to, or for the offer or sale in connection with, any public distribution or sale of the Purchased Shares or any interest in them.

5.8 Availability of Funds

Purchaser has and will have at Closing sufficient unrestricted funds and financial capacity to pay the Deposit and the Vendor Loan in accordance with this Agreement.

5.9 Residence

Purchaser is not a non-resident of Canada within the meaning of the Tax Act.

ARTICLE 6 AS IS, WHERE IS

Purchaser acknowledges and agrees that it has conducted to its satisfaction an independent investigation and verification of the Business, the Purchased Shares, the Retained Liabilities and all related operations of the Company, and, based solely thereon and the advice of its financial, legal and other advisors, has determined to proceed with the Transaction. Purchaser has relied solely on the results of its own independent investigation and verification and, except for the representations and warranties of Vendor expressly set forth in Article 4, Purchaser understands, acknowledges and agrees that all other representations, warranties, guarantees, conditions and statements of any kind or nature, expressed or implied (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Company or the Business, or the quality, quantity or condition of the Purchased Shares) are specifically disclaimed by the Company, its financial and legal advisors, KPMG CF, and the Monitor and its legal counsel. PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF VENDOR EXPRESSLY AND SPECIFICALLY SET FORTH IN ARTICLE 4: (A) PURCHASER IS ACQUIRING THE PURCHASED SHARES ON AN “AS IS, WHERE IS” BASIS; AND (B) NONE OF THE COMPANY, VENDOR, KPMG CF, THE MONITOR OR ANY OTHER PERSON (INCLUDING ANY REPRESENTATIVE OF THE COMPANY OR THE MONITOR WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) IS MAKING, AND PURCHASER IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, GUARANTEES, CONDITIONS OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING THE COMPANY, THE BUSINESS, THE PURCHASED SHARES, THE RETAINED LIABILITIES, THE

EXCLUDED ASSETS, THE EXCLUDED LIABILITIES, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) PURCHASER OR ANY OF ITS REPRESENTATIVES, INCLUDING WITH RESPECT TO MERCHANTABILITY, PHYSICAL OR FINANCIAL CONDITION, DESCRIPTION, FITNESS FOR A PARTICULAR PURPOSE, OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER, INCLUDING ANY AND ALL CONDITIONS, GUARANTEES, STATEMENTS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, PURSUANT TO ANY APPLICABLE LAWS IN ANY JURISDICTION, WHICH PURCHASER CONFIRMS DO NOT APPLY TO THIS AGREEMENT, AND ARE HEREBY WAIVED IN THEIR ENTIRETY BY PURCHASER. Notwithstanding anything herein to the contrary, the terms of this Article 6 shall not apply to any fraudulent or intentional misrepresentation or any fraud on the part of the Company, Vendor, or any of their respective Affiliates or representatives.

ARTICLE 7 CONDITIONS

7.1 Conditions for the Benefit of Purchaser and Vendor

The respective obligations of the Parties to consummate the Transaction are subject to the satisfaction of, or compliance with, or waiver by the Parties of, at or prior to the Closing Time, each of the following conditions:

- (a) *No Law* – no provision of any Applicable Law and no Order preventing or otherwise frustrating the consummation of the purchase of the Purchased Shares or any of the other transactions pursuant to this Agreement shall be in effect; and
- (b) *Final Order* – the Vesting Order shall have been issued and entered in accordance with all Applicable Laws.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of Vendor and Purchaser.

7.2 Conditions for the Benefit of Purchaser

The obligation of Purchaser to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by Purchaser of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of Purchaser):

- (a) *Performance of Covenants* – The covenants contained in this Agreement to be performed or complied with by Vendor at or prior to the Closing Time shall have been performed or complied with in all material respects as at the Closing Time;
- (b) *Truth of Representations and Warranties* – (i) the Fundamental Representations and Warranties of Vendor shall be true and correct in all respects as of the Closing Date, as if made at and as of such date (except for *de minimus* inaccuracies); and (ii) all other representations and warranties of Vendor contained in Article 4, shall be true and correct in all respects as of the Closing Date, as if made at and as of such date (except for representations and warranties made as of specified date, the accuracy of which shall be determined as of such specified date) except where the failure to be so true and correct would not, in the aggregate, have a Material Adverse Effect;
- (c) *Officer's Certificate* – Purchaser shall have received a certificate confirming the satisfaction of the conditions contained in Sections 7.2(a) (*Performance of Covenants*)

and 7.2(b) (*Truth of Representations and Warranties*), signed for and on behalf of Vendor without personal liability by a senior officer or director of Vendor acceptable to Purchaser, in form and substance reasonably satisfactory to Purchaser;

- (d) *Vendor Deliverables* – Vendor shall have delivered, or caused Company to have delivered, to Purchaser all of the deliverables contained in Section 11.2 in form and substance reasonably satisfactory to Purchaser;
- (e) *Pre-Closing Implementation Steps* – The Company shall have completed the Pre-Closing Implementation Steps that are required to be completed prior to Closing, in form and substance reasonably acceptable to Purchaser, acting reasonably;
- (f) *Terminated Employees* – The Company shall have delivered termination letters to each of the Terminated Employees, each in a form and substance agreeable to Vendor and Purchaser, acting reasonably, effective upon Closing, and any Termination Claim arising from or related thereto, shall be Excluded Liabilities which, pursuant the Vesting Order, shall be assigned and transferred from Company to Residual Co;
- (g) *Capitalization of Company* – Vendor and Company shall have completed the Capitalization Steps prior to Closing, in form and substance reasonably acceptable to Purchaser, acting reasonably; and
- (h) *Absence of Regulatory Concerns* – No Insurance Regulator has suspended or terminated, or reasonably appears likely to imminently suspend or terminate, any material license or authorization held by Company, and the Parties, acting in accordance with Section 8.2(g), have not been able to avoid any such suspension or termination or have any such suspension or termination lifted, reversed or cancelled.

7.3 Conditions for the Benefit of Vendor

The obligation of Vendor to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver where applicable by Vendor of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of Vendor):

- (a) *Performance of Covenants* – The covenants contained in this Agreement to be performed or complied with by Purchaser at or prior to the Closing Time shall have been performed or complied with in all material respects as at the Closing Time;
- (b) *Truth of Representations and Warranties* — (i) The Fundamental Representations and Warranties of Purchaser shall be true and correct in all respects as of the Closing Date, as if made at and as of such date (except for *de minimus* inaccuracies); and (ii) all other representations and warranties of Purchaser contained in Article 5 shall be true and correct in all respects as of the Closing Date, as if made at and as of such date (except for representations and warranties made as of specified date, the accuracy of which shall be determined as of such specified date) except where the failure to be so true and correct would not, in the aggregate, have a Purchaser Material Adverse Effect;
- (c) *Officer's Certificate* – Vendor shall have received a certificate confirming the satisfaction of the conditions contained in Sections 7.3(a) (*Performance of Covenants*) and 7.3(b) (*Truth of Representations and Warranties*) signed for and on behalf of Purchaser without personal liability by a senior officer or director of Purchaser or other

Persons acceptable to Vendor, in each case, in form and substance satisfactory to Vendor; and

- (d) *Purchaser Deliverables* – Purchaser shall have delivered to Vendor all of the deliverables contained in Section 11.3 in form and substance satisfactory to Vendor, acting in a commercially reasonable manner.

ARTICLE 8 ADDITIONAL AGREEMENTS OF THE PARTIES

8.1 Access to information

Until the Closing Time, Vendor shall, and shall cause the Company to, give to Purchaser's personnel engaged in the Transaction and their accountants, legal advisers, consultants, financial advisers and representatives during normal business hours reasonable access to the Company's premises and to all of the books, records, and other information relating to the Business, the Purchased Shares, the Company, the Retained Liabilities and the employees, and shall furnish them with all such information relating to the Business, the Purchased Shares, the Company, the Retained Liabilities and the employees as Purchaser may reasonably request in connection with the Transaction; provided that such access shall be conducted at Purchaser's expense, in accordance with Applicable Law and under supervision of Company's personnel and in such a manner as to maintain confidentiality, and Vendor will not be required to provide access to or copies of any such books and records that are Excluded Assets or if making such information available would: (i) result in the loss of any lawyer-client or other legal privilege; or (ii) cause Vendor or the Company to be found in contravention of any Applicable Law, or contravene any fiduciary duty or agreement (including any confidentiality agreement to which Company or Vendor or any of its Affiliates are a party). Notwithstanding anything in this Section 8.1 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such manner as does not materially disrupt the conduct of the Business or the possible sale thereof to any other Person.

8.2 Covenants Relating to this Agreement

- (a) Each of the Parties shall perform all obligations required to be performed by the applicable Party under this Agreement, cooperate with the other Party in connection therewith and do all such other acts and things as may be reasonable necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the Transaction and, without limiting the generality of the foregoing, from the date hereof until the Closing Date, each Party shall and, where appropriate, shall cause each of its Affiliates to:
 - (i) negotiate in good faith and use its commercially reasonable efforts to take or cause to be taken all actions and to do, or cause to be done, all things necessary, proper or advisable to satisfy the conditions precedent to the obligations of such Party hereunder (including, where applicable, negotiating in good faith with the applicable Governmental Authorities or third Persons in connection therewith), and to cause the fulfillment at the earliest practicable date of all of the conditions precedent to the other Party's obligations to consummate the Transaction; and
 - (ii) not take any action, or refrain from taking any action, or permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Transaction.

- (b) Vendor and Purchaser each agree to execute and deliver, and Vendor agrees to cause the Company to execute and deliver, such other documents, certificates, agreements and other writings, reasonably necessary for the consummation of the Transaction, and to take such other actions reasonably necessary to consummate or implement the Transaction as soon as reasonably practicable.
- (c) From the date hereof until the Closing Date, Vendor hereby agrees to or cause its professional advisors to promptly notify Purchaser if it becomes aware of (i) any event, condition, or development that has resulted in the inaccuracy in a material respect or material breach of any representation or warranty, covenant or agreement contained in this Agreement; or (ii) any Material Adverse Effect.
- (d) Vendor and Purchaser agree to use commercially reasonable efforts to timely prepare and file all documentation and pursue all steps reasonably necessary to obtain any material third-party consents and approvals as may be required in connection with the Transaction.
- (e) Purchaser shall deliver the Deposit to be held by Stikeman Elliott LLP, in trust, in accordance with Section 3.2(a) hereof.
- (f) From the date hereof until the Closing Date, Vendor shall, and shall cause the Company to:
 - (i) operate in compliance with the cash flow projections filed in the CCAA Proceedings in all material respects;
 - (ii) take all commercially reasonable necessary actions to maintain the permits and licenses of the Company in good standing in all material respects;
 - (iii) not communicate with any Insurance Regulators regarding the Transaction without Purchaser's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed;
 - (iv) not make a material change in the Business as currently conducted;
 - (v) not sell or transfer any assets of the Company, other than in the Ordinary Course of Business; and
 - (vi) not terminate, disclaim, modify in any material respect or otherwise materially amend any Material Contract, other than the Inter-Company Agreements in accordance with the Pre-Closing Implementation Steps, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned, or delayed.
- (g) In the event that any Insurance Regulator suspends or terminates, or reasonably appears likely to imminently suspend or terminate, any license or authorization held by Company, the Parties will forthwith collaborate in good faith to consider and implement any commercially reasonable actions or steps to seek to avoid any such suspension or termination or have such suspension or termination lifted, reversed or cancelled.

8.3 Tax Matters

- (a) Vendor shall prepare all Tax Returns for the Company that are due after the Closing Date in respect of periods ending on or before the Closing Date (other than in respect of any Straddle Period). Vendor shall provide Purchaser with a draft of such Tax Returns thirty (30) days prior to the due date for filing the Tax Returns with the appropriate Taxing Authorities. Purchaser shall have the right to review the draft of the Tax Returns provided to it by Vendor, and Vendor shall consider in good faith any reasonable comments provided by Purchaser, and Vendor shall cooperate with Purchaser and the Company to timely file all such Tax Returns. With respect to the preparation of such Tax Returns, Purchaser and Vendor agree that the Company may deduct any Tax losses (including, for greater certainty, non-capital losses and net capital losses) at Vendor's sole discretion to the extent permitted by Applicable Law.
- (b) Purchaser shall cause the Company to prepare and timely file all Tax Returns for the Company for all Straddle Periods. Purchaser shall provide Vendor with a draft of such Tax Returns at least fifteen (15) days prior to the due date for filing the Tax Returns with the appropriate Taxing Authorities. Vendor shall have the right to review the draft of the Tax Returns provided to it by Purchaser and Purchaser shall consider in good faith any reasonable comments provided by Vendor.
- (c) Vendor agrees to furnish or cause to be furnished to Purchaser and the Company, as promptly as practicable, such information and assistance relating to the Company, the Purchased Shares and the Retained Liabilities as is reasonably necessary for: (i) the preparation and filing of any Tax Return, claim for refund or other required filings relating to Tax matters; (ii) the preparation for and proof of facts during any Tax audit; (iii) the preparation for any Tax protest; (iv) the prosecution of any suit or other proceedings relating to Tax matters; and (v) the answer to any governmental or regulatory inquiry relating to Tax matters.
- (d) Purchaser and Company agree to furnish or cause to be furnished to Vendor and Residual Co., as promptly as practicable, such information and assistance relating to the Company, the Excluded Assets and the Excluded Liabilities as is reasonably necessary for (i) the preparation and filing of any Tax Return, claim for refund or other required filings relating to Tax matters; (ii) the preparation for and proof of facts during any Tax audit; (iii) the preparation for any Tax protest; (iv) the prosecution of any suit or other proceedings relating to Tax matters; and (v) the answer to any governmental or regulatory inquiry relating to Tax matters.
- (e) For all purposes under this Agreement for which it is necessary to apportion taxes in a taxable period which includes (but does not begin or end on) the Closing Date, (a "**Straddle Period**"), all real property Taxes, personal property Taxes and similar ad valorem obligations shall be apportioned between the taxable period up to and including the Closing Date (such portion of such Straddle Period, the "**Pre-Closing Straddle Tax Period**") and the taxable period after the Closing Date (such portion of such Straddle Period, the "**Post-Closing Straddle Tax Period**"), on a per diem basis. In the case of any Tax based upon or related to income, receipts, sales, use, payroll, or withholding, in respect of any Straddle Period, the portion of such Tax allocable to the Pre-Closing Straddle Tax Period shall be deemed to be the amount that would be payable if the relevant Straddle Period ended on and included the Closing Date. To the extent such closing of the books method is not incorporated under the law of a jurisdiction for particular types of entities, allocations of income among the periods shall be made to replicate the closing of the books method to the maximum extent

possible. Except as otherwise provided herein, with respect to the Purchased Shares, any Taxes allocable to a Pre-Closing Straddle Tax Period shall be considered to be an Excluded Liability, and any Taxes that are allocable to a Post-Closing Straddle Tax Period shall be considered to be a Retained Liability.

- (f) Purchaser and Vendor shall cooperate, on a best efforts basis, to maximize the ability to utilize any Tax losses that cannot be carried forward in the taxation year ending immediately prior to Closing.

8.4 Employee Matters

On and subject to Closing, Vendor shall cause the Company to immediately terminate the employment of each of the Terminated Employees.

8.5 Administrative Expense Amount

- (a) On the Closing Date, Vendor shall cause the Company to pay to the Monitor its cash on hand, which the Monitor shall hold in trust for the benefit of Persons entitled to be paid the Administrative Expense Costs and amounts secured by the CCAA Charges.
- (b) From time to time after the Closing Date, the Monitor may pay from the Administrative Expense Amount the Administrative Expense Costs and amounts secured by the CCAA Charges at its sole discretion and without further authorization from Vendor or Purchaser. Any unused portion of the Administrative Expense Amount after payment or reservation for all Administrative Expense Costs, as determined by the Monitor, shall be transferred by the Monitor to Vendor.
- (c) Notwithstanding the foregoing or anything else contained herein or elsewhere, each of Vendor and Purchaser acknowledges and agrees that: (i) the Monitor's obligations hereunder are and shall remain limited to those specifically set out in this Section 8.5; and (ii) Monitor is acting solely in its capacity as the CCAA Court- appointed Monitor of the Company pursuant to the Initial Order and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor's gross negligence or intentional fault.

8.6 Release of Monitor by Purchaser

Except in connection with any obligations of the Monitor contained in this Agreement and any Closing Documents, effective as of the Closing, Purchaser and its Affiliates hereby release and forever discharge the Monitor and its Affiliates, and each of their respective successors and assigns, and all present and former officers, directors, partners, members, shareholders, limited partners, employees, agents, financial and legal advisors of each of them, from any and all actual or potential Released Claims which such Person had, has or may have in the future to the extent relating to the Business, the Purchased Shares or the Retained Liabilities, save and except for Released Claims arising out of fraud or gross negligence.

8.7 Release of Monitor by Vendor

Except in connection with any obligations of the Monitor contained in this Agreement and any Closing Documents, effective as of the Closing, Vendor and its Affiliates hereby release and forever discharge the Monitor and its Affiliates, and each of their respective successors and assigns, and all present and former officers, directors, partners, members, shareholders, limited partners, employees, agents,

financial and legal advisors of each of them, from any and all actual or potential Released Claims which such Person had, has or may have in the future to the extent relating to: (i) the Purchased Shares, (ii) all other Equity Interests of the Company after the application of the Vesting Order, (iii) the Retained Liabilities, (iv) the Excluded Assets, or (v) the Excluded Liabilities, save and except for Released Claims arising out of fraud or gross negligence.

ARTICLE 9 INSOLVENCY PROVISIONS

9.1 Court Orders and Related Matters

- (a) From and after the date of this Agreement and until the Closing Date and except in respect of the Initial Order and the application therefore, Vendor and Company shall deliver to Purchaser drafts of any and all pleadings, motions, notices, statements, applications, schedules, and other papers to be filed or submitted by Vendor and Company in connection with or related to this Agreement, including with respect to the Vesting Order, for Purchaser's prior review at least three (3) days in advance of service and filing of such materials (or where circumstances make it impracticable to allow for three (3) days' review, with as much opportunity for review and comment as is practically possible in the circumstances). Each of Vendor and Company acknowledges and agrees to consult and cooperate with Purchaser regarding any discovery, examinations and hearing in respect of any of the foregoing, including the submission of any evidence, including witnesses testimony, in connection with such hearing.
- (b) Notice of the motion seeking the issuance of the Vesting Order shall be served, or be caused to be served, by Vendor and Company, on all Persons required to receive notice under Applicable Law and the requirements of the CCAA, the CCAA Court, and any other Person determined necessary by Vendor or Purchaser, acting reasonably.
- (c) As soon as practicable following the date of this Agreement, Vendor shall cause the Company to file the materials to obtain the Initial Order.
- (d) As soon as practicable following the issuance of the Initial Order, Vendor shall cause the Company to file a motion seeking the issuance of the Vesting Order.
- (e) Notwithstanding any other provision herein, it is expressly acknowledged and agreed that in the event that the Vesting Order has not been issued and entered by the CCAA Court by November 17, 2023 (the "**Vesting Order Outside Date**") or such later date agreed to in writing by Purchaser in its sole discretion, Purchaser may terminate this Agreement, provided that if all other conditions are satisfied (or if the only condition in Article 7 which has not been satisfied is the condition contained in Section 7.2(h) but the Parties are complying with their obligations in Section 8.2(g)), Vendor shall be entitled to extend the Vesting Order Outside Date by an additional ten (10) Business Days, and, for an avoidance of doubt, if the Vesting Order has not been issued by such extended date, then Purchaser may terminate this Agreement under this Section 9.1(e), notwithstanding any other term of this Agreement including Section 7.2(h) and Section 8.2(g).
- (f) If the Vesting Order is appealed or a motion for leave to appeal, rehearing, argument or reconsideration is filed with respect thereto, each of Vendor and the Company agrees (subject to the available liquidity of the Company and Vendor) to take all action

as may be commercially reasonable and appropriate to defend against such appeal, petition or motion.

- (g) At Closing, pursuant to this Agreement and the Vesting Order, the Purchased Shares shall be transferred to Purchaser free and clear of all Encumbrances, other than Permitted Encumbrances.

ARTICLE 10 TERMINATION

10.1 Termination

This Agreement may be terminated at any time prior to Closing as follows:

- (a) by mutual written consent of Purchaser and Vendor;
- (b) by Purchaser or Vendor, if Closing has not occurred on or before the Outside Date, provided that the terminating Party is not in breach of any representation, warranty, covenant or other agreement in this Agreement which would prevent the satisfaction of the conditions in Article 7 by the Outside Date;
- (c) by Purchaser, pursuant to Section 9.1(e);
- (d) by Purchaser, upon the appointment of a receiver, trustee in bankruptcy or similar official in respect of the Company or any of the property of the Company, other than with the prior written consent of Purchaser;
- (e) by Purchaser or Vendor upon the termination, dismissal or conversion of the CCAA Proceedings;
- (f) by Purchaser or Vendor, upon dismissal of the motion for the Vesting Order (or if any such order is stayed, vacated or varied without the consent of Purchaser);
- (g) by Purchaser or Vendor, if a court of competent jurisdiction, including the CCAA Court or other Governmental Authority, or arbitrator or panel arbitrators has issued an Order or taken any other action to restrain, enjoin or otherwise prohibit the Closing and such Order or action has become a Final Order;

The Party desiring to terminate this Agreement pursuant to this Section 10.1 (other than pursuant to Section 10.1(a)) shall give written notice of such termination to the other Party or Parties, as applicable, specifying in reasonable detail the basis for such Party's exercise of its termination rights.

10.2 Effect of Termination

- (a) In the event of termination of this Agreement pursuant to Section 10.1, this Agreement shall become void and of no further force or effect without liability of any Party to any other Party to this Agreement except that: (i), this Section 10.2, Section 12.1 (*Public Notices*), Section 12.2 (*Injunctive Relief*), Section 12.4 (*Non-Recourse*), Section 12.5 (*Assignment; Binding Effect*), Section 12.6 (*Notices*) and Section 12.7 (*Counterparts; Electronic Signatures*) shall survive; and (ii) no termination of this Agreement shall relieve any Party of any liability for any willful breach by it of this Agreement or fraud, or impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement in accordance with Section 12.2.

- (b) In the event of termination of this Agreement by Vendor under Section 10.1(b) due to Purchaser failing to advance, in full, the Vendor Loan to Vendor pursuant to the terms of Section 2.8(a)(i), then the full amount of the Deposit shall become the property of, and may be retained by, Vendor as liquidated damages (and not as a penalty) to compensate Vendor for its loss of rights under this Agreement as a result of the failure of the Transaction to close. In such event, Vendor may exercise any other rights or remedies that it may have against Purchaser in respect of any default by Purchaser. In the event that Vendor alleges any liability on the part of Purchaser pursuant to 10.1(b), then any damages suffered by such Party shall be reduced by an amount equal to the Deposit.
- (c) Except and to the extent as set out in Section 10.2(b) above, upon a termination of this Agreement for any reason pursuant to this Article 10, the Deposit shall be returned, in full and without set off, to Purchaser, within two (2) Business Days of the date of such termination.

ARTICLE 11 CLOSING

11.1 Location and Time of the Closing

The Closing shall take place on the Closing Date effective as of the Closing Time, electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

11.2 Vendor's Deliveries at Closing

At Closing, Vendor shall deliver to Purchaser the following:

- (a) a true copy of the Vesting Order, which shall be final;
- (b) executed copy of the Monitor's Certificate;
- (c) original minute books, ledgers and registers, corporate seal, if any, and other corporate books and records of the Company;
- (d) evidence that the share certificates registered in the name of Vendor have been cancelled by the Company;
- (e) an original share certificate evidencing the Purchased Shares and registered in the name of Purchaser, duly executed by the Company;
- (f) a certificate of status of Vendor and Company, issued as of a recent date by the appropriate Governmental Authority but in no event no more than ten (10) days prior to the Closing Date;
- (g) a certificate of a senior officer or director of Vendor (in such capacity and without personal liability) in form and substance reasonably satisfactory to Purchaser: (i) certifying that the director of Vendor has adopted resolutions (in a form attached to such certificate) authorizing the execution, delivery and performance of this Agreement and the Transaction, as applicable, which resolutions are in full force and effect and have not been superseded, amended or modified as of the Closing Date; and (ii)

certifying as to the incumbency and signature of the authorized signatory of Vendor executing this Agreement and the other Closing Documents, as applicable;

- (h) the certificates contemplated by Section 7.2(c);
- (i) confirmation of the due incorporation and organization of Residual Co. on the terms set forth herein;
- (j) evidence of the completion of the Pre-Closing Implementation Steps in accordance with the terms herein;
- (k) duly executed original of the Adjustable Promissory Note, representing the Intercompany Loan;
- (l) resignations duly executed by each director and officer of the Company identified by Purchaser, effective as of the Closing Date;
- (m) duly executed set off agreement between Purchaser and Vendor with respect the Vendor Loan and the Purchase Price, in form and substance satisfactory to Vendor and Purchaser, acting reasonably (the **"Set-Off Agreement"**);
- (n) all keys, passwords, bank account authorizations, access codes and other materials related to the Business or Retained Liabilities;
- (o) duly executed counterpart signature to the confidentiality agreement, executed by Primary Group Limited, attached as Exhibit B (the **"Confidentiality Agreement"**); and
- (p) all other documents reasonably requested by Purchaser in good faith.

11.3 Purchaser's Deliveries at Closing

Purchaser shall deliver to Vendor:

- (a) on the Closing Date but prior to the Closing Time, immediately available funds in the amount of the Vendor Loan, in accordance with Section 2.8(a);
- (b) a certificate of a senior officer or director of Purchaser (in such capacity and without personal liability), in form and substance reasonably satisfactory to Vendor: (i) certifying that the board of directors has adopted resolutions (in a form attached to such certificate) authorizing the execution, delivery and performance of this Agreement and the Transaction, as applicable, which resolutions are in full force and effect and have not been superseded, amended or modified as of the Closing Date; and (ii) certifying as to the incumbency and signature of the authorized signatory of Purchaser executing this Agreement and the other Closing Documents, as applicable;
- (c) the certificate contemplated by Section 7.3(c);
- (d) the Set-Off Agreement; and
- (e) all other documents reasonably requested by Vendor in good faith.

11.4 Monitor

- (a) When all conditions to Closing set out in Article 7 other than delivery by Vendor to Purchaser of an executed copy of the Monitor's Certificate have been satisfied or waived by Vendor or Purchaser, as applicable, Vendor and Purchaser, or their respective counsel, shall each deliver to the Monitor written confirmation that all conditions to Closing other than delivery by Vendor to Purchaser of an executed copy of the Monitor's Certificate have been satisfied or waived. Upon receipt of such written confirmation, the Monitor shall: (i) issue forthwith its Monitor's Certificate in accordance with the Vesting Order; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the CCAA Court (and shall provide a true copy of such filed certificate to Vendor and Purchaser). The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor's Certificate with the CCAA Court without independent investigation upon receiving written confirmation from Vendor and Purchaser that all conditions to Closing have been satisfied or waived, and the Monitor will have no liability to Vendor or Purchaser or any other Person as a result of filing the Monitor's Certificate.
- (b) The Parties hereby acknowledge and agree that the Monitor may rely upon the provisions of this Agreement that are for its benefit notwithstanding that the Monitor is not a party to this Agreement, including Article 6 Section 8.5, Section 11.4 and Section 12.5. The provisions of this Section 11.4(b) shall survive the termination or non-completion of the Transaction.

11.5 Simultaneous Transactions

All actions taken and transactions consummated at the Closing shall be deemed to have occurred in the manner and sequence set forth in the Pre-Closing Implementation Steps and the Vesting Order (subject to the terms of any escrow agreement or arrangement among the Parties relating to the Closing), and no such transaction shall be considered consummated unless all are consummated.

11.6 Further Assurances

As reasonably required by a Party in order to effectuate the Transaction, Purchaser and Vendor shall execute and deliver at (and after) the Closing such other documents, and shall take such other actions, as are necessary or appropriate, to implement and give effect to the Transaction.

ARTICLE 12 GENERAL MATTERS

12.1 Public Notices

Vendor shall not make, and prior to Closing shall not cause the Company to make, and Purchaser shall not make, and upon Closing and any time after Closing shall not cause the Company to make, any press release or other public announcement concerning the Transaction without the prior consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed); provided, however, that subject to the last sentence of this Section 12.1, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings) or by any stock exchange on which any of the securities of such Party or any of its Affiliates are listed, or by any insolvency or other court or securities commission, or other similar Governmental Authority having jurisdiction over such Party or any of its Affiliates, and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other Party to the extent legally permissible and reasonably practicable, and if such prior notice is

not legally permissible or reasonably practicable, to give such notice reasonably promptly following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by Vendor and Company with the CCAA Court; and (ii) the Transaction may be disclosed by Vendor and Company to the CCAA Court. The Parties further agree that:

- (a) the Monitor may prepare and file reports and other documents with the CCAA Court containing references to the Transaction and the terms of the Transaction; and
- (b) Vendor, Purchaser and their respective professional advisors may prepare and file such motions, affidavits, materials, reports and other documents with the CCAA Court containing references to the Transaction and the terms of the Transaction as may reasonably be necessary to complete the Transaction or to comply with their obligations in connection therewith.

Purchaser shall be afforded an opportunity to review and comment on such materials in Section 12.1(b) prior to their filing. Vendor and Purchaser may issue a joint press release announcing the execution and delivery of this Agreement, in form and substance mutually agreed to them.

12.2 Injunctive Relief

- (a) The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek specific performance, injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to enforce compliance with the terms of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such specific performance, injunctive or other equitable relief, this being in addition to any other remedy to which the Parties may be entitled at law or in equity.
- (b) Each Party hereby agrees not to raise any objections to the availability of the equitable remedies provided for herein and the Parties further agree that by seeking the remedies provided for in this Section 12.2, a Party shall not in any respect waive its right to seek any other form of relief that may be available to a Party under this Agreement.
- (c) Notwithstanding anything to the contrary herein, under no circumstances shall a Party be permitted or entitled to receive both monetary damages and specific performance and the election to pursue one shall be deemed to be an irrevocable waiver of the other.
- (d) Any Party seeking specific performance, injunctive and other equitable relief pursuant to the terms of this Section 12.2 shall be entitled to seek adjudication of such relief by the provincial or federal courts situate in the City of Toronto, in the Province of Ontario.

12.3 Survival

None of the representations or warranties of any of the Parties set forth in this Agreement or in any Closing Document to be executed and delivered by any of the Parties, shall survive the Closing. Notwithstanding the foregoing, all covenants in this Agreement and in any Closing Documents, to the extent required to be, or capable of being, performed or completed following Closing shall survive the Closing and will continue in full force and effect.

12.4 Non-Recourse

No past, present or future director, officer, employee, incorporator, member, partner, security holder, Affiliate, agent, lawyer or representative of the respective Parties, in such capacity, shall have any liability for any obligations or liabilities of such Party, as applicable, under this Agreement, or for any Causes of Action based on, in respect of or by reason of the Transaction.

12.5 Assignment; Binding Effect

No Party may assign or delegate its right or benefits or obligations under this Agreement without the consent of each of the other Party, except that without such consent Purchaser may, upon prior notice to Vendor, assign this Agreement, or any or all of its rights and obligations hereunder, to one or more of its Affiliates; provided that no such assignment or direction shall relieve Purchaser of its obligations hereunder. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Although not Party to this Agreement, the Monitor and its respective Affiliates and advisors shall have the benefits expressed to be conferred upon them in this Agreement including in Article 6, Article 8 and Section 11.4 (in respect of the Monitor) hereof. Subject to the preceding sentence, nothing in this Agreement shall create or be deemed to create any third Person beneficiary rights in any Person not a Party to this Agreement.

12.6 Notices

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by email, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two (2) days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five (5) days after mailing via certified mail, return receipt requested. All notices not delivered personally or by email will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

(a) If to Purchaser at:

Southampton Financial Inc.
103 Roxborough St. E,
Toronto, ON M4W 1V9

Attention: Brian Reeve, President and Secretary

Email: breeve214@gmail.com

and to:

Dentons Canada LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Attention: Derek Levinsky
Robert Kennedy

Emails: derek.levinsky@dentons.com
robert.kennedy@dentons.com

(b) If to Vendor, at:

615 Kumpf Drive, Suite 500
Waterloo, ON N2V 1K8

Attention: Steve Livingstone
Email: slivingstone@ahainsurance.ca

and to:

Stikeman Elliott LLP
Commerce Court West
5300, 199 Bay St.
Toronto, Ontario M5L 1B9

Attention: Stuart Carruthers
Samantha Horn
Maria Konyukhova

Emails: scarruthers@stikeman.com
sghorn@stikeman.com
mkonyukhova@stikeman.com

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

12.7 Counterparts; Electronic Signatures

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement may be made by electronic signature which, for all purposes, shall be deemed to be an original signature.

[Signature pages to follow]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

SOUTHAMPTON FINANCIAL INC.

By:



Name: J. Brian Reeve

Title: President

IGNITE HOLDINGS INC.

By:

—DocuSigned by:

Stephen Livingstone

421D7567F50D4AD

Name: Stephen D. Livingstone

Title: President and Secretary

EXHIBIT "N"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:

Rania Hammad

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Commissioner for Taking Affidavits

**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
IGNITE HOLDINGS INC., IGNITE SERVICES INC., and IGNITE INSURANCE
CORPORATION
(collectively the "Applicants")**

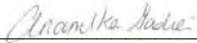
CONSENT TO ACT AS MONITOR

KPMG Inc. hereby consents to act as the Court-appointed monitor of the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, in respect of the above-captioned proceedings, if so appointed by this Honourable Court.

Dated at Toronto this 25th day of October 2023.

KPMG Inc.

Per:



Anamika Gadia
Senior Vice-President



George Bourikas
Vice-President

EXHIBIT "O"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:

Rania Hammad

3CCD228759524E3...

Commissioner for Taking Affidavits

October 26, 2023

Ignite Services Inc.

Attention: Steve Livingstone (slivingstone@ahainsurance.ca)

Re: Debtor-in-Possession Financing of Ignite Services Inc.

- A. Ignite Services Inc. (the “**Borrower**”), Ignite Holdings Inc. and Ignite Insurance Corporation (the “**Guarantors**” and together with the Borrower, the “**Obligors**”) intend to make an application to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an initial order (the “**Initial Order**”), among other things, commencing proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA Proceedings**”), imposing a stay of proceedings in favour of the Obligors (the “**Initial Stay**”), appointing KPMG Inc. as Monitor of the Obligors (in such capacity, the “**Monitor**”), approving this Term Sheet and granting the DIP Lender’s Charge (as defined herein) to secure the initial authorized advance of \$350,000;
- B. In the event that the Initial Order is granted, and prior to the expiry of the Initial Stay, the Borrower will seek an Amended and Restated Initial Order (as may be further amended and restated from time to time in accordance with this Term Sheet, the “**ARIO**”) within the CCAA Proceedings, seeking, in addition to the relief set out in the Initial Order: (i) an extension of the Initial Stay; (ii) approval of a proposed reverse vesting order (“**RVO**”) sale transaction (the “**Transaction**”) between Southampton Financial Inc. and Ignite Holdings Inc. (“**Holdings**”) for the sale of all Holdings’ right, title, and interest in the Borrower; (iii) approval of an increase in the authorized limit of the DIP Financing secured by the DIP Lender’s Charge to \$1,100,000;
- C. The Obligors require funding to satisfy the cashflow requirements of the CCAA Proceedings, and other short-term liquidity requirements;
- D. Primary Group Limited (the “**Lender**”) has agreed to advance a debtor-in-possession loan in the aggregate principal amount of \$1,100,000, subject to and in accordance with the terms and conditions of this term sheet (this “**Term Sheet**”);

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

SUMMARY OF TERMS FOR DIP FACILITY

- 1 **Borrower:** Ignite Services Inc.
- 2 **Guarantors:** Ignite Holdings Inc. and Ignite Insurance Corporation
- 3 **Lender:** Primary Group Limited
- 4 **DIP Facility:** Non-revolving facility in the maximum aggregate principal amount of \$1,100,000 (the “**DIP Facility**”).

- 5 **Purpose:** The DIP Facility shall be available to fund: (i) working capital needs of the Borrower; (ii) professional fees and expenses incurred by the Borrower and the Monitor in respect of the CCAA Proceedings, in each case in accordance with the cash flow projections approved by the Monitor and the Lender (the “**Cash Flow Projections**”); (iii) the Recoverable Expenses (as defined below); and (iv) such other costs and expenses of the Borrower as may be agreed to by the Lender, in writing.

The amount and purpose of the DIP Facility may be amended by the Obligors and the Lender in writing. The Obligors may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Obligors except in accordance with the Cash Flow Projections or with the prior written consent of the Lender and the Monitor.

- 6 **Advances:** Subject to the funding conditions set out in Section 12 of this Term Sheet, the DIP Facility shall be available by three advances (individually, an “**Advance**” and collectively, the “**Advances**”) as follows:

- (a) upon the issuance of the Initial Order, \$350,000, (the “**First Advance**”), shall be advanced to the Borrower by no later than October 31, 2023, to finance working capital requirements and professional fees and expenses for the 10-day period immediately following the date of the Initial Order;
- (b) after the issuance of the ARIO, the balance of the DIP Facility shall be advanced to the Borrower as follows: (i) \$400,00 by no later than November 10, 2023; and (ii) \$350,000 by no later than November 13, 2023 (the “**Subsequent Advances**”).

Nothing in this Term Sheet creates a legally binding obligation on the Lender to advance any amount under the DIP Facility at any time unless the Borrower is in compliance with the provisions of this Term Sheet.

- 7 **Interest:** The loans made under this Term Sheet shall be interest free.

- 8 **Recoverable Expenses:** The Borrower shall pay all fees and expenses (collectively, the “**Recoverable Expenses**”) incurred by the Lender in connection with the preparation, registration and ongoing administration of this Term Sheet, the DIP Facility, the Initial Order, the ARIO, the DIP Lender’s Charge (as defined below) and with the enforcement of the Lender’s rights and remedies hereunder and thereunder, at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Lender. For greater certainty, “Recoverable Expenses” shall include all reasonable fees and expenses incurred by the Lender in connection with the CCAA Proceedings including in connection with the proposed Transaction or any other transaction and all Court attendances in respect thereof. If the Lender has paid any expenses for which the Lender is entitled to reimbursement from the Borrower, such expenses shall be added to the DIP Facility. All such fees and expenses shall be secured by the DIP Lender’s Charge whether or not any funds under the DIP Facility are advanced.

- 9 **Security:** All debts, liabilities and obligations of the Obligors to the Lender under or in connection with the DIP Facility (including, without limitation, Fees and

Recoverable Expenses), this Term Sheet and any other documents executed in connection therewith shall be secured by a Court-ordered priority charge (the “**DIP Lender’s Charge**”) granted to the Lender in and to all present and future properties, assets, and undertakings of the Obligors, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof (the “**Property**”), subject only to:

- (a) an administration charge in the maximum aggregate amount of \$750,000 under the Initial Order for the payment of the fees and expenses of the Monitor, counsel to the Obligors and counsel to the Monitor (the “**Administration Charge**”);
- (b) a directors’ charge in the maximum aggregate amount of \$250,000 under the Initial Order and continued by the ARIO as security for the indemnity provided to the directors and officers of the Obligors against obligations and liabilities they may incur after the commencement of the CCAA Proceedings (the “**Directors’ Charge**”); and
- (c) amounts owing to the Canada Revenue Agency for outstanding source deductions and for which Canada Revenue Agency has a super priority claim (the “**Source Deductions**”).

10 **Maturity Date:** Unless otherwise agreed to by the Lender and the Obligors in writing, the term of the DIP Facility shall expire, and the Obligors shall repay all obligations owing to the Lender under this Term Sheet, on the earliest of (the “**Maturity Date**”):

- (a) December 7, 2023;
- (b) the closing of the Transaction; and
- (c) the occurrence of an Event of Default (as defined herein), subject to a cure period of five (5) business days, beginning on the date of the occurrence of such Event of Default.

11 **Repayment:** The aggregate principal amount owing under the DIP Facility plus all Recoverable Expenses, shall become immediately due and payable on the Maturity Date. The DIP Facility may be prepaid at any time, without penalty, (provided all accrued and unpaid Recoverable Expenses are paid). If the Obligors choose to prepay any amount owing under the DIP Facility, any such payment shall be applied: (i) first, to the Recoverable Expenses; and (ii) second, to any principal amount outstanding under the DIP Facility.

12 **Conditions Precedent:** The availability of the First Advance under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the Lender in writing:

- (a) The Lender shall have received a fully executed copy of this Term Sheet;
- (b) the Court shall have issued the Initial Order, in a form satisfactory to the Lender, including:

- (i) approving this Term Sheet and the DIP Facility; and
- (ii) granting the DIP Lender's Charge in favour of the Lender;
- (c) the Initial Order shall not have been vacated, stayed, appealed or amended in a manner not acceptable to the Lender, acting reasonably; and
- (d) no Event of Default shall have occurred.

The availability of the Subsequent Advances under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the Lender in writing:

- (a) the Court shall have issued the ARIO, in a form substantively satisfactory to the Lender, including:
 - (i) approving this Term Sheet and the DIP Facility;
 - (ii) granting the DIP Lender's Charge in favour of the Lender;
- (b) the Court shall have granted the reverse vesting order approving the Transaction; and
- (c) no Event of Default shall have occurred.

13 **Covenants** The Obligors covenant and agree with the Lender, so long as any amounts are outstanding by the Borrower to the Lender hereunder, to:

- (a) promptly on the receipt by the Obligors of the same, give the Lender a copy of any Notice of Motion or Application to vary, supplement, revoke, terminate or discharge the Initial Order, the ARIO or the RVO, including, without limitation, any application to the Court for the granting of new or additional security that will or may have priority over the DIP Lender's Charge, or otherwise for the variation of the priority of the DIP Lender's Charge;
- (b) provide the Lender with drafts of all materials that the Obligors intend to file in the CCAA Proceedings and provide the Lender and its counsel a reasonable amount of time to review same prior to service and filing;
- (c) use the Advances under the DIP Facility for the purposes for which they are being provided, as set out in Section 5 of this Term Sheet, or such other purposes that may be agreed to by the Lender in writing;
- (d) provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant, or other term or condition of this Term Sheet, or of any document executed in connection with this Term Sheet;
- (e) pay all taxes and other claims which, under law, may rank prior to or pari passu with the DIP Lender's Charge due and payable from and after the commencement of the CCAA Proceedings, as and when such amounts are due;
- (f) not make any payment to any director or officer of the Obligors (except salary, wages, and reimbursable expenses in the normal course), without the prior written consent of the Lender;

- (g) keep the Obligors' assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets;
- (h) not, without the prior written consent of the Lender, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than the Administration Charge, the Directors' Charge, the Source Deductions, and the DIP Lender's Charge) over any of the Obligors' Property, whether ranking in priority to or subordinate to the DIP Lender's Charge;
- (i) not sell, transfer, assign, convey or lease any Property unless agreed to by the Lender;
- (j) to provide notice of any materials communication received by the Obligors to the Lender including any notice of default or termination of any material contract, license or permit;
- (k) to conduct all activities in the ordinary course and in material compliance with the Cash Flow Projections.

14

Events

of Default: The DIP Facility shall be subject to the following events of default (each, an **"Event of Default"**):

- (a) The Borrower's failure to pay any amount due hereunder when due and payable;
- (b) any covenant, condition precedent, payment obligation, or other term or condition of this Term Sheet is not complied with or fulfilled to the satisfaction of the Lender;
- (c) the Initial Order is not obtained in form and substance satisfactory to the Lender on or before October 31, 2023, and the ARIO and the RVO, in each case in form and substance satisfactory to the Lender, is not obtained on or before November 10, 2023;
- (d) the seeking or support by the Obligors of any Court order (in the CCAA Proceedings or otherwise) which is adverse or potentially adverse to the interests of the Lender, in its capacity as Lender, in its sole discretion;
- (e) the issuance of any Court order lifting or terminating (in whole or in part) the stay of proceedings in the CCAA Proceedings, or discontinuing, dismissing or otherwise terminating the CCAA Proceeding;
- (f) the issuance of any Court order staying, reversing, vacating or modifying the terms of the Initial Order, the ARIO, the RVO, the DIP Facility or the DIP Lender's Charge, in each case without the Lender's consent if not promptly appealed by the Obligors;
- (g) the issuance of any Court order (in the CCAA Proceedings or otherwise) which is adverse or potentially adverse to the interests of the Lender, in its capacity as Lender, in its sole discretion if not promptly appealed by the Obligors;

- (h) the service or filing of a notice of appeal, application for leave to appeal, or an appeal in respect of the Initial Order or the ARIO or the RVO in each case if the notice of appeal, application for leave to appeal or appeal is not being actively defended by the Obligors or if the appeal is actually granted;
- (i) the occurrence of an event that will, in the opinion of the Lender, materially impair the Obligors' financial condition, operations or ability to perform under this Term Sheet or any order of the Court;
- (j) the failure by the Obligors to comply with the Initial Order, the RVO or the ARIO;
- (k) the occurrence of any material adverse change in: (i) the business, operations, or financial condition of the Obligors other than the insolvency and the proceedings contemplated by this Term Sheet; (ii) the Property of the Obligors; (iii) the DIP Lender's Charge, including its relative priority; (iv) the ability of the Obligors to perform their obligations to the Lender or to any person under any material contract; (v) the Lender's ability to enforce any of its rights or remedies against the Obligors' Property or for the obligations of the Obligors to be satisfied from the realization thereof;
- (l) the Obligors become bankrupt or subject to a proceeding under the BIA, or a receiver, interim receiver, receiver and manager or trustee in bankruptcy is appointed in respect of any Obligor, or any Obligor's Property;
- (m) the filing of any plan of reorganization, arrangement or liquidation to which the Lender does not consent;
- (n) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter the purpose of which is to seek, or the result of which would be, to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Obligors under the DIP Facility, the DIP Lender's Charge or its priority; (ii) for monetary, injunctive or other relief against the Lender or the Obligors' Property; or (iii) preventing, hindering or otherwise delaying the exercise by the Lender of any of its rights and remedies hereunder, pursuant to the Initial Order, the ARIO or under applicable law, or the enforcement or realization by the Lender against any of its collateral, unless actively defended by the Obligors;

15

Remedies**and Enforcement**

Following the occurrence of an Event of Default, and the expiration of the cure period prescribed in Section 10(c), upon written notice to the Obligors and the Monitor, the Lender shall have the right, subject to the Lender obtaining an Order from the Court lifting the stay under the CCAA Proceedings, to:

- (a) enforce the DIP Lender's Charge and realize on the Property and any other collateral securing the DIP Facility;

(b) exercise the rights and powers of a secured lender and mortgagee pursuant to the Personal Property Security Act, the Mortgages Act or any legislation of similar effect; and

(c) exercise all such other rights and remedies available to the Lender under this Term Sheet, the Initial Order, the ARIO, any other order of the Court or applicable law.

No failure or delay on the part of the Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

16 **Further**

Assurances: The Obligors will, at their own expense and promptly on demand by the Lender at any time, do such acts and things and execute and deliver such documents as the Lender may reasonably request to give effect to any other provisions set out hereunder.

17 **Assignment:** The Obligors shall not assign this Term Sheet or any of the provisions set out herein without the prior written consent of the Lender. The Lender may assign or sell its rights or obligations with respect to this Term Sheet to any person without the prior written consent of the Obligors.

18 **Governing Law:** The DIP Facility and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

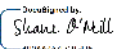
19 **Currency:** All dollar amounts herein are in Canadian Dollars.

20 **Acceptance:** This Term Sheet is open for acceptance until 5:00 p.m. (Toronto time) on October 26, 2023. The Obligors may accept this Term Sheet by returning a countersigned copy of this Term Sheet to the Lender (by electronic transmission or personal delivery).

[Signature Page Follows]

Dated this 26th day of October, 2023.

PRIMARY GROUP LIMITED

By:  _____
Name:
Title:

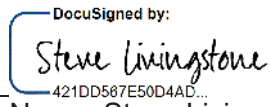
I have authority to bind the Corporation.

ACCEPTANCE**TO THE DIP LENDER:**

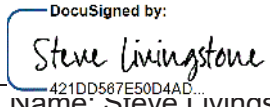
For good and valuable consideration received, Ignite Services Inc., Ignite Holdings Limited, Ignite Holdings Inc. and Ignite Insurance Corporation, accept and agree to comply with the provisions of the Term Sheet set out above, on a joint and several basis.

Dated this 26th day of October, 2023.

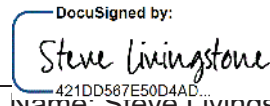
IGNITE SERVICES INC.

By:  _____
Name: Steve Livingstone
Title: President and Secretary
I have authority to bind the Corporation.

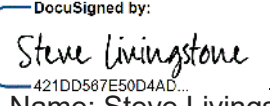
IGNITE HOLDINGS LIMITED

By:  _____
Name: Steve Livingstone
Title: President and Secretary
I have authority to bind the Corporation.

IGNITE HOLDINGS INC.

By:  _____
Name: Steve Livingstone
Title: President and Secretary
I have authority to bind the Corporation.

IGNITE INSURANCE CORPORATION

By:  _____
Name: Steve Livingstone
Title: President and Secretary
I have authority to bind the Corporation.

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

AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF IGNITE HOLDINGS INC., IGNITE SERVICES INC., and IGNITE
INSURANCE CORPORATION

Applicants

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF STEPHEN LIVINGSTONE
(SWORN OCTOBER 26, 2023)**

STIKEMAN ELLIOTT LLP

Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova (LSO #52880V)

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Philip Yang (LSO #82084O)

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Rania Hammad (LSO #86940I)

Tel: (416) 869-5578
Email: rhammad@stikeman.com

Lawyers for the Applicants

TAB 3

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

THE HONOURABLE	)	MONDAY THE 30 TH DAY
	)	
JUSTICE CONWAY	)	OF OCTOBER, 2023

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 IGNITE
HOLDINGS INC., IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION

Applicants

INITIAL ORDER

THIS APPLICATION, made by Ignite Services Inc. ("**Ignite Services**"), Ignite Holdings Inc., and Ignite Insurance Corporation (collectively, the "**Applicants**"), for an initial order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Stephen Livingstone sworn October 26, 2023 (the "**Livingstone Affidavit**") and the Exhibits thereto, the pre-filing report of KPMG Inc. ("**KPMG**"), in its capacity as proposed monitor of the Applicants (in such capacity, the "**Monitor**") dated October [X], 2023 (the "**Pre-Filing Report**"), the consent of KPMG to act as the Monitor, on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for KPMG, counsel for Primary Group Limited ("**Primary**") and Primary in its capacity as the DIP Lender (as defined below), counsel for Aviva Insurance Company of Canada, in its capacity as secured lender to the Applicants, and such other parties as listed on the Counsel Slip, with no one else appearing although duly served as appears from the affidavit of service of Rania Hammad sworn October [X], 2023,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the Livingstone Affidavit.

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that each of the Applicants are companies to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the **"Property"**). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the **"Business"**) and Property. The Applicants are authorized and empowered to continue to retain and employ their employees, consultants, agents, experts, accountants, counsel and such other persons (collectively **"Assistants"**) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize their existing central cash management system currently in place or replace it with another substantially similar central cash management system (the **"Cash Management System"**) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person or Persons (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management

System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of arrangement or compromise under the CCAA with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order, subject to compliance with the Cash Flow Projections (as defined in the DIP Facility Agreement), as may be amended from time to time:

- (a) all outstanding and future wages, salaries, commissions, employee and pension benefits, vacation pay and employee and director expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by any of the Applicants in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled, subject to compliance with the Cash Flow Projections, as may be amended from time to time, but not required to pay all reasonable expenses incurred by the Applicants in carrying on their Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), IT services, data services, maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. **THIS COURT ORDERS** that the Applicants shall, in accordance with legal requirements, remit or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be

deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly in equal payments on the first day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date, unless the Company is making payments from the Trust Account in respect of, among other things, commissions and premiums;

- (b) to grant no security interests, trust, liens, mortgages, charges or encumbrances upon or in respect of any of the Property; and
- (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) in consultation with the DIP Lender, and with the oversight of the Monitor, continue to take steps to advance the potential sale of all or part of the Property on a going-concern basis, and return to Court for the approval of any such agreement; and
- (b) pursue all restructuring options for the Applicants including, without limitation, all avenues of refinancing of their Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any material refinancing;

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

12. **THIS COURT ORDERS** that until and including November 9, 2023, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting their Business or their Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting their Business or their Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

13. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicants or the Monitor, or affecting their Business or their Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this

Court, provided that nothing in this Order shall (a) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

14. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

15. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, email addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

16. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any

monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

17. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

18. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

19. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for the indemnity provided in paragraph 18 of this Order. The D&O Charge shall have the priority as set out in paragraphs 37 and 39 herein.

20. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 18 of this Order.

APPOINTMENT OF MONITOR

21. **THIS COURT ORDERS** that KPMG Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

22. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements and the Applicants' compliance with the Cash Flow Projections;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination of financial and other information to the DIP Lender and its counsel on a periodic basis of financial and other information as agreed to between the Applicants and the DIP Lender, or as may reasonably be requested by the DIP Lender;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, or as may reasonably be requested by the DIP Lender;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

- (f) hold funds on behalf of the Applicants in connection with any sale of all or part of the Property;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (h) perform such other duties as are required by this Order or by this Court from time to time.

23. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property (except as permitted pursuant to section 22(f) herein) and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

24. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

25. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the

Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, whether incurred prior to, on or subsequent to, the date of this Order by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a periodic basis. In addition, the Applicants are hereby authorized to pay to the Monitor and counsel to the Monitor, retainers in the amounts of \$50,000 and \$30,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

28. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

29. **THIS COURT ORDERS** that the Applicants' counsel, the Monitor and its counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$750,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority as set out in paragraphs 37 and 39 hereof.

DIP FACILITY

30. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under the DIP Facility from Primary, in its capacity as the debtor-in-possession lender (the "**DIP Lender**"), in order to finance the Applicants' working capital requirements, and other general corporate purposes and capital expenditures.

31. **THIS COURT ORDERS** that such DIP Facility shall be on the terms and subject to the conditions set forth in the Summary of Terms for DIP Facility between the Applicants and the DIP Lender dated as of October 26, 2023, appended as Exhibit "O" to the Livingstone Affidavit (the "**DIP Facility Agreement**").

32. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to borrow, in accordance with the terms and conditions of the DIP Facility Agreement, interim financing of up to \$350,000 during the Stay Period.

33. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such agreements, instruments, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Facility Agreement, the "**Definitive Documents**"), as may be contemplated by the DIP Facility Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Definitive Documents (collectively, the "**DIP Obligations**") as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property as security for the DIP Obligations, which DIP Lender's Charge shall be in the aggregate amount of the DIP Obligations outstanding at any given time under the Definitive Documents. The DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority as set out in paragraphs 37 and 39 hereof.

35. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon five (5) business days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Definitive

Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

36. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise under the CCAA, or any proposal filed under the BIA, with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

37. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender's Charge, and the D&O Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First - Administration Charge (to the maximum amount of \$750,000);

Second – D&O Charge (to the maximum amount of \$250,000); and

Third – DIP Lender's Charge (to the maximum amount of \$350,000).

38. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that each of the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

39. **THIS COURT ORDERS** that the Charges shall each constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of

any Person, provided that the Charges shall rank behind Encumbrances in favor of any Persons that have not been served with notice of this application. The Applicants and beneficiaries of the Charges shall be entitled to seek priority ahead of such Encumbrances on notice to those parties.

40. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the D&O Charge and the Administration Charge, or further Order of this Court.

41. **THIS COURT ORDERS** that the D&O Charge, the Administration Charge, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal, provincial or other statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Facility Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Definitive Documents, and the granting of the Charges, do not and will not constitute

preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

42. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SERVICE AND NOTICE

43. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (b) within five days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1000, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of any individual persons who are creditors available.

44. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://kpmg.com/ca/igniteGroup>

45. **THIS COURT ORDERS** that the Applicants, the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

46. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants, the Monitor and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

COMEBACK MOTION

47. **THIS COURT ORDERS** that the Comeback Motion shall be heard on November [X], 2023.

SEALING

48. **THIS COURT ORDERS** that [Confidential Appendix [X] to the Pre-Filing Report] is hereby sealed and shall not form part of the public record until closing of each of the Transactions contemplated under the Purchase Agreement, subject to further order of this Court sought on not less than seven (7) days notice to the Purchaser and, provided it has not been discharged, the Monitor.

GENERAL

49. **THIS COURT ORDERS** that the Applicants, the DIP Lender, or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder.

50. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

51. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and

to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

52. **THIS COURT ORDERS** that each of the Applicants and the Monitor shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

53. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

54. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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

AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF IGNITE HOLDINGS INC., IGNITE SERVICES INC., and IGNITE
INSURANCE CORPORATION

Applicants

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

PROCEEDING COMMENCED AT TORONTO

INITIAL ORDER

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5300 Commerce Court West
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Lawyers for the Applicants

TAB 4

Court File No. _____

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

THE HONOURABLE
JUSTICE

)))

~~WEEKDAY,~~ MONDAY THE #
30TH DAY ~~OF MONTH,~~ 20YR

JUSTICE CONWAY

)
)

OF OCTOBER, 2023

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
~~[APPLICANT'S NAME] (the "Applicant")~~ IGNITE HOLDINGS INC., IGNITE SERVICES INC.,
and IGNITE INSURANCE CORPORATION

Applicants

INITIAL ORDER

THIS APPLICATION, made by ~~the Applicant,~~ Ignite Services Inc. ("Ignite Services"),
Ignite Holdings Inc., and Ignite Insurance Corporation (collectively, the "**Applicants**"), for an initial
order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended
(the "**CCAA**") was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ by judicial
videoconference via Zoom.

ON READING the affidavit of ~~[NAME] sworn [DATE]~~ Stephen Livingstone sworn
October 26, 2023 (the "Livingstone Affidavit") and the Exhibits thereto, ~~and the pre-filing report~~
of KPMG Inc. ("KPMG"), in its capacity as proposed monitor of the Applicants (in such capacity,
the "Monitor") dated October [X], 2023 (the "Pre-Filing Report"), the consent of KPMG to act as
the Monitor, on being advised that the secured creditors who are likely to be affected by the
charges created herein were given notice, and on hearing the submissions of counsel for
~~[NAMES], no one~~ the Applicants, counsel for KPMG, counsel for Primary Group Limited
("Primary") and Primary in its capacity as the DIP Lender (as defined below), counsel for Aviva
Insurance Company of Canada, in its capacity as secured lender to the Applicants, and such

other parties as listed on the Counsel Slip, with no one else appearing ~~for [NAME]~~¹ although duly served as appears from the affidavit of service of Rania Hammad sworn October [NAME] ~~sworn [DATE] and on reading the consent of [MONITOR'S NAME] to act as the Monitor~~^{XI}. 2023,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the Livingstone Affidavit.

APPLICATION

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that ~~the Applicant is a company~~ each of the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

~~3. — THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").~~

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the ~~Applicant~~ Applicants shall remain in possession and control of ~~its~~ their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the ~~Applicant~~ Applicants shall continue to carry on business in a

~~1 Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

~~2 If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

manner consistent with the preservation of ~~its~~ their business (the “**Business**”) and Property. The ~~Applicant is~~ Applicants are authorized and empowered to continue to retain and employ ~~the~~ their employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by ~~it~~ them, with liberty to retain such further Assistants as ~~it deems~~ they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **{ THIS COURT ORDERS** that the ~~Applicant~~ Applicants shall be entitled to continue to utilize ~~the~~ their existing central cash management system³ currently in place ~~as described in the Affidavit of [NAME] sworn [DATE]~~ or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~ Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person or Persons (as hereinafter defined) other than the ~~Applicant~~ Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the Plan~~ any plan of arrangement or compromise under the CCAA with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System. **}**

6. **THIS COURT ORDERS** that the ~~Applicant~~ Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order, subject to compliance with the Cash Flow Projections (as defined in the DIP Facility Agreement), as may be amended from time to time:

- (a) all outstanding and future wages, salaries, commissions, employee and pension benefits, vacation pay and employee and director expenses payable on or after

~~³ This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

- (b) the fees and disbursements of any Assistants retained or employed by any of the Applicant Applicants in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant Applicants shall be entitled -, subject to compliance with the Cash Flow Projections, as may be amended from time to time, but not required to pay all reasonable expenses incurred by the Applicant Applicants in carrying on ~~the~~ their Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' ~~-~~ and officers ~~insurance~~) insurance), IT services, data services, maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant Applicants following the date of this Order.

8. **THIS COURT ORDERS** that the Applicant Applicants shall ~~remit~~, in accordance with legal requirements, remit or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant Applicants in connection with the sale of goods and services by the Applicant Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, ~~and~~ and

- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the ~~Applicant~~Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed ~~[or resiliated]~~⁴ in accordance with the CCAA, the ~~Applicant~~Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, ~~twice-~~ monthly in equal payments on the first ~~and fifteenth~~ day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the ~~Applicant is~~Applicants are hereby directed, until further Order of this Court: ~~(a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c)~~

(a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date, unless the Company is making payments from the Trust Account in respect of, among other things, commissions and premiums;

(b) ~~10.~~ to grant no security interests, trust, liens, mortgages, charges or encumbrances upon or in respect of any of the Property; and

~~4 The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

(c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the ~~Applicant~~ Applicants shall, subject to such requirements as are imposed by the CCAA ~~and such covenants as may be contained in the Definitive Documents (as hereinafter defined)~~, have the right to:

~~(a) — permanently or temporarily cease, downsize or shut down any of its business or operations, [and to dispose of redundant or non-material assets not exceeding \$● in any one transaction or \$● in the aggregate]5~~

(a) in consultation with the DIP Lender, and with the oversight of the Monitor, continue to take steps to advance the potential sale of all or part of the Property on a going-concern basis, and return to Court for the approval of any such agreement; and

~~(b) — [terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate]; and~~

(b) (c) pursue all restructuring options for the Applicants including, without limitation, all avenues of refinancing of its-their Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any material refinancing;

all of the foregoing to permit the ~~Applicant~~ Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

~~12. — THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims [or resiliates] the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease~~

~~5 Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

~~pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer [or resiliation] of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.~~

~~13. — THIS COURT ORDERS that if a notice of disclaimer [or resiliation] is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer [or resiliation], the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer [or resiliation], the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.~~

NO PROCEEDINGS AGAINST THE ~~APPLICANT~~ APPLICANTS OR THE PROPERTY

12. ~~14.~~ **THIS COURT ORDERS** that until and including [~~DATE — MAX. 30 DAYS~~]November 9, 2023, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the ~~Applicant~~ Applicants or the Monitor, or affecting ~~the their~~ Business or ~~the their~~ Property, except with the written consent of the ~~Applicant~~ Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the ~~Applicant~~ Applicants or affecting ~~the their~~ Business or ~~the their~~ Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

13. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the ~~Applicant~~ Applicants or the Monitor, or affecting ~~the their~~ Business or ~~the their~~ Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~ Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (*ia*) empower the ~~Applicant~~ Applicants to carry on any business which the ~~Applicant is~~ Applicants are not lawfully entitled to carry on, (*iib*) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (*iiic*) prevent the filing of any registration to preserve or perfect a security interest, or (*ivd*) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

14. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Applicant~~ Applicants, except with the written consent of the ~~Applicant~~ Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

15. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the ~~Applicant~~ Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the ~~Applicant~~ Applicants are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the ~~Applicant~~ Applicants and that the ~~Applicant~~ Applicants shall be entitled to the continued use of ~~its~~ their current premises, telephone numbers, facsimile numbers, internet addresses, email addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Applicant~~ Applicants in accordance with normal payment practices of the ~~Applicant~~ Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the ~~Applicant~~ Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

16. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of ~~lease~~ leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-

advance any monies or otherwise extend any credit to the ~~Applicant~~Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

17. ~~19.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the ~~Applicant~~Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the ~~Applicant~~Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the ~~Applicant~~Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the ~~Applicant~~Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

18. ~~20.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall indemnify ~~its~~their directors and officers against obligations and liabilities that they may incur as directors or officers of the ~~Applicant~~Applicants after the commencement of the within proceedings,⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

⁶ This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).

⁷ The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.

19. ~~21.~~ **THIS COURT ORDERS** that the directors and officers of the ~~Applicant~~ Applicants shall be entitled to the benefit of and are hereby granted a charge (the "~~Directors'~~ D&O Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of \$~~250,000~~, as security for the indemnity provided in paragraph ~~[20]~~ 18 of this Order. The ~~Directors'~~ D&O Charge shall have the priority as set out in paragraphs ~~[38]~~ 37 and ~~[40]~~ 39 herein.

20. ~~22.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the ~~Directors'~~ D&O Charge, and (b) the ~~Applicant's~~ Applicants' directors and officers shall only be entitled to the benefit of the ~~Directors'~~ D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~[20]~~ 18 of this Order.

APPOINTMENT OF MONITOR

21. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~ KPMG Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~ Applicants with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant~~ Applicants and ~~its~~ their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~ Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

22. ~~24.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the ~~Applicant's~~ Applicants' receipts and disbursements and the Applicants' compliance with the Cash Flow Projections;

~~8 Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the ~~Applicant~~Applicants, to the extent required by the ~~Applicant~~Applicants, in ~~its~~their dissemination, ~~of financial and other information~~ to the DIP Lender and its counsel on a ~~[TIME INTERVAL]~~periodic basis of financial and other information as agreed to between the ~~Applicant~~Applicants and the DIP Lender ~~which may be used in these proceedings including reporting on a basis to be agreed with,~~ or as may reasonably be requested by the DIP Lender;
- (d) advise the ~~Applicant in its~~Applicants in their preparation of the ~~Applicant's~~Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, ~~but not less than [TIME INTERVAL], or as otherwise agreed to~~ or as may reasonably be requested by the DIP Lender;
- ~~(e) advise the Applicant in its development of the Plan and any amendments to the Plan;~~
- ~~(f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;~~
- (e) ~~(g)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~Applicants, to the extent that is necessary to adequately assess the ~~Applicant's~~Applicants' business and financial affairs or to perform its duties arising under this Order;
- (f) hold funds on behalf of the Applicants in connection with any sale of all or part of the Property;
- (g) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

- (h) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

23. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property (except as permitted pursuant to section 22(f) herein) and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

24. ~~26.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

25. ~~27.~~ **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the ~~Applicant~~ Applicants and the DIP Lender with information provided by the ~~Applicant~~ Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the ~~Applicant~~ Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the ~~Applicant~~ Applicants may agree.

26. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or

obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the ~~Applicant~~ Applicants shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, ~~by the Applicant~~ whether incurred prior to, on or subsequent to, the date of this Order by the Applicants as part of the costs of these proceedings. The ~~Applicant is~~ Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the ~~Applicant on a [TIME INTERVAL] basis and, in~~ Applicants on a periodic basis. In addition, the ~~Applicant is~~ Applicants are hereby authorized to pay to the Monitor, ~~and~~ and counsel to the Monitor, ~~and counsel to the Applicant,~~ retainers in the ~~amount[s] of \$● [amounts of \$50,000 and \$30,000, respectively,]~~ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

28. ~~30.~~ **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

29. ~~31.~~ **THIS COURT ORDERS** that the ~~Monitor, Applicants'~~ Applicants' counsel ~~to, the Monitor, if any,~~ and ~~the Applicant's its~~ counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$● 750,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority as set out in paragraphs ~~[38]~~ 37 and ~~[40]~~ 39 hereof.

DIP ~~FINANCING~~ FACILITY

30. ~~32.~~ **THIS COURT ORDERS** that the ~~Applicant is~~ Applicants are hereby authorized and empowered to obtain and borrow under ~~a credit facility from [DIP LENDER'S NAME]~~ the DIP Facility from Primary, in its capacity as the debtor-in-possession lender (the "DIP Lender") ~~in~~ in order to finance the ~~Applicant's~~ Applicants' working capital requirements ~~and~~ and other general

corporate purposes and capital expenditures, ~~provided that borrowings under such credit facility shall not exceed \$● unless permitted by further Order of this Court.~~

31. ~~33.~~ **THIS COURT ORDERS THAT** ~~that~~ such ~~credit facility~~ DIP Facility shall be on the terms and subject to the conditions set forth in the ~~commitment letter~~ Summary of Terms for DIP Facility between the ~~Applicant~~ Applicants and the DIP Lender dated as of ~~{DATE}~~ (the "Commitment Letter"), ~~filed~~ October 26, 2023, appended as Exhibit "O" to the Livingstone Affidavit (the "DIP Facility Agreement").

32. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to borrow, in accordance with the terms and conditions of the DIP Facility Agreement, interim financing of up to \$350,000 during the Stay Period.

33. ~~34.~~ **THIS COURT ORDERS** that the ~~Applicant is~~ Applicants are hereby authorized and empowered to execute and deliver such ~~credit~~ agreements, instruments, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively with the DIP Facility Agreement, the "**Definitive Documents**"), as ~~are~~ may be contemplated by the ~~Commitment Letter~~ DIP Facility Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the ~~Applicant is~~ Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the ~~Commitment Letter and the~~ Definitive Documents (collectively, the "DIP Obligations") as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. ~~35.~~ **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, ~~which~~ as security for the DIP Obligations, which DIP Lender's Charge shall be in the aggregate amount of the DIP Obligations outstanding at any given time under the Definitive Documents. The DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority as set out in paragraphs ~~{38}~~ 37 and ~~{40}~~ 39 hereof.

35. ~~36.~~ **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ~~● five (5) business days'~~ notice to the ~~Applicant~~ Applicants and the Monitor, may exercise any and all of its rights and remedies against the ~~Applicant~~ Applicants or the Property under or pursuant to the ~~Commitment Letter~~, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the ~~Applicant~~ Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the ~~Applicant~~ Applicants against the obligations of the ~~Applicant~~ Applicants to the DIP Lender under ~~the Commitment Letter~~, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the ~~Applicant~~ Applicants and for the appointment of a trustee in bankruptcy of the ~~Applicant~~ Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the ~~Applicant~~ Applicants or the Property.

36. ~~37.~~ **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise ~~filed by the Applicant~~ under the CCAA, or any proposal filed ~~by the Applicant~~ under the ~~Bankruptcy and Insolvency Act of Canada (the "BIA")~~ BIA, with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

37. ~~38.~~ **THIS COURT ORDERS** that the priorities of the ~~Directors' Charge, the~~ Administration Charge ~~and, the~~ DIP Lender's Charge, and the D&O Charge (collectively, the "Charges"), as among them, shall be as follows⁹:

First ~~—~~ Administration Charge (to the maximum amount of \$●750,000);

Second – ~~DIP Lender's Charge; and Third — Directors' D&O~~ Charge (to the maximum amount of \$●250,000); and

Third – DIP Lender's Charge (to the maximum amount of \$350,000).

38. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges")~~ shall not be required, and that each of the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

39. ~~40.~~ **THIS COURT ORDERS** that ~~each of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall~~ the Charges shall each constitute a charge on the Property and ~~such Charges~~ shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, provided that the Charges shall rank behind Encumbrances in favor of any Persons that have not been served with notice of this application. The Applicants and beneficiaries of the Charges shall be entitled to seek priority ahead of such Encumbrances on notice to those parties.

40. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, ~~or as may be approved by this Court, the Applicant~~ the Applicants shall not grant any Encumbrances

~~9 The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~Charges, unless the ~~Applicant~~Applicants also ~~obtains~~obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the ~~Directors' D&O~~ Charge and the Administration Charge, or further Order of this Court.

41. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' D&O~~ Charge, the Administration Charge, ~~the Commitment Letter~~, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal ~~or~~ provincial or other statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the ~~Applicant~~Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the ~~Commitment Letter or the~~ Definitive Documents shall create or be deemed to constitute a breach by the ~~Applicant~~Applicants of any Agreement to which ~~it is~~they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant~~Applicants entering into the ~~Commitment Letter~~DIP Facility Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the ~~Applicant~~Applicants pursuant to this Order, ~~the Commitment Letter or the~~ Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at

undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

42. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the ~~Applicant's~~ Applicants' interest in such real property leases.

SERVICE AND NOTICE

43. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (~~ia~~) without delay, publish in ~~[newspapers specified by the Court]~~ The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (~~iib~~) within five days after the date of this Order, (~~AI~~) make this Order publicly available in the manner prescribed under the CCAA, (~~Bii~~) send, in the prescribed manner, a notice to every known creditor who has a claim against the ~~Applicant~~ Applicants of more than \$1000, and (~~Eiii~~) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of any individual persons who are creditors available.

44. ~~45.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05-1, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~'<@>'~~: <https://kpmg.com/ca/IgniteGroup>

45. **THIS COURT ORDERS** that the Applicants, the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and

their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

46. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the ~~Applicant and Applicants,~~ the Monitor and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Applicant's Applicants'~~ creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown on the records of the ~~Applicant Applicants~~ and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

COMEBACK MOTION

47. **THIS COURT ORDERS** that the ~~Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.~~ Comeback Motion shall be heard on November [X], 2023.

SEALING

48. **THIS COURT ORDERS** that [Confidential Appendix [X] to the Pre-Filing Report] is hereby sealed and shall not form part of the public record until closing of each of the Transactions contemplated under the Purchase Agreement, subject to further order of this Court sought on not less than seven (7) days notice to the Purchaser and, provided it has not been discharged, the Monitor.

GENERAL

49. **THIS COURT ORDERS** that the Applicants, the DIP Lender, or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties hereunder.

50. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the ~~Applicant~~Applicants, the Business or the Property.

51. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the ~~Applicant~~Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Applicant~~Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the ~~Applicant~~Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

52. ~~50.~~ **THIS COURT ORDERS** that each of the ~~Applicant~~Applicants and the Monitor shall be at liberty and ~~is~~are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

53. ~~51.~~ **THIS COURT ORDERS** that any interested party (including the ~~Applicant~~Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

54. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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

AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF IGNITE HOLDINGS INC., IGNITE SERVICES INC., and IGNITE
INSURANCE CORPORATION

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

INITIAL ORDER

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Lawyers for the Applicants

Court File No. _____

**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 IGNITE HOLDINGS INC.,
IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION**

Applicants

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

PROCEEDING COMMENCED AT TORONTO

**APPLICATION RECORD
(RETURNABLE OCTOBER 30, 2023)**

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