
SECOND AMENDED AND RESTATED GENERAL SECURITY AGREEMENT

by

HUDSON'S BAY COMPANY ULC
as the Canadian Borrower

and

THE GUARANTORS PARTY HERETO
FROM TIME TO TIME

and

BANK OF AMERICA, N.A.,
as Agent

Dated as of February 12, 2024

TABLE OF CONTENTS

	<u>Page</u>
PREAMBLE.....	1
RECITALS	1
AGREEMENT	2
ARTICLE I	
DEFINITIONS AND INTERPRETATION	
SECTION 1.1. Definitions.....	2
SECTION 1.2. Interpretation.....	9
SECTION 1.3. Perfection Certificate.	9
ARTICLE II	
GRANT OF SECURITY AND SECURED OBLIGATIONS	
SECTION 2.1. Pledge; Grant of Security Interest.....	9
SECTION 2.2. Secured Obligations	11
SECTION 2.3. Security Interest	11
ARTICLE III	
PERFECTION; SUPPLEMENTS; ACTIONS WITH RESPECT TO CERTAIN COLLATERAL	
SECTION 3.1. Delivery of Certificated Securities Collateral.....	12
SECTION 3.2. Perfection of Uncertificated Securities Collateral	12
SECTION 3.3. Financing Statements and Other Filings; Maintenance of Perfected Security Interest.	14
SECTION 3.4. Other Actions	14
ARTICLE IV	
REPRESENTATIONS, WARRANTIES AND COVENANTS	
SECTION 4.1. Title	17
SECTION 4.2. Limitation on Liens; Defense of Claims; Transferability of Collateral.....	17
SECTION 4.3. Due Authorization and Issuance	18
SECTION 4.4. No Conflicts, Consents, etc.....	18
SECTION 4.5. Collateral.....	18
SECTION 4.6. Insurance	18

SECTION 4.7.	Access to Collateral, Books and Records; Other Information	19
SECTION 4.8.	No Accessions.....	19
SECTION 4.9.	Further Identification of Collateral	19
SECTION 4.10.	Amendments Not Authorized	19

ARTICLE V

CERTAIN PROVISIONS CONCERNING INTELLECTUAL PROPERTY

SECTION 5.1.	Representations and Warranties.....	19
SECTION 5.2.	Grant of License.....	20
SECTION 5.3.	Registrations	20
SECTION 5.4.	No Violations or Proceedings	20
SECTION 5.5.	Protection of Agent's Security	20
SECTION 5.6.	After-Acquired Property	21
SECTION 5.7.	Modifications	21
SECTION 5.8.	Litigation.....	22
SECTION 5.9.	Third Party Consents.....	22

ARTICLE VI

CERTAIN PROVISIONS CONCERNING CREDIT CARD RECEIVABLES, ACCOUNTS AND CONTRACTS

SECTION 6.1.	Special Representations and Warranties	23
SECTION 6.2.	Maintenance of Records	23
SECTION 6.3.	Modification of Terms, Etc.....	23
SECTION 6.4.	No Obligation of Credit Parties	24
SECTION 6.5.	Collection.....	24
SECTION 6.6.	Verification of Accounts.....	24

ARTICLE VIII

REMEDIES

SECTION 8.1.	Remedies.....	28
SECTION 8.2.	Notice of Sale.....	30
SECTION 8.3.	Waiver of Notice and Claims.....	31
SECTION 8.4.	Certain Sales of Collateral	32
SECTION 8.5.	No Waiver; Cumulative Remedies	33
SECTION 8.6.	Certain Additional Actions Regarding Intellectual Property	33
SECTION 8.7.	Application of Proceeds	33
SECTION 8.8.	Grant of License.....	33
SECTION 8.9.	No Obligations under PPSA	34
SECTION 8.10.	Certain Acknowledgments.....	34
SECTION 8.11.	Additional Rights and Remedies Regarding Securities Collateral	35

ARTICLE IX

MISCELLANEOUS

SECTION 9.1.	Concerning the Agent	36
SECTION 9.2.	Agent May Perform; Agent Appointed Attorney-in-Fact.....	37
SECTION 9.3.	Expenses	37
SECTION 9.4.	Continuing Security Interest; Assignment	37
SECTION 9.5.	Termination; Release	38
SECTION 9.6.	Modification in Writing	39
SECTION 9.7.	Notices	39
SECTION 9.8.	GOVERNING LAW	40
SECTION 9.9.	CONSENT TO JURISDICTION; SERVICE OF PROCESS; WAIVER OF JURY TRIAL.....	40
SECTION 9.10.	Severability of Provisions	41
SECTION 9.11.	Headings	41
SECTION 9.12.	Execution in Counterparts; Effectiveness	41
SECTION 9.13.	No Release	41
SECTION 9.14.	Obligations Absolute	42
SECTION 9.15.	Obligations Joint and Several	42
SECTION 9.16.	Attachment	42
SECTION 9.17.	Amalgamation.....	43
SECTION 9.18.	Copy of Agreement; Waiver.....	43
SECTION 9.19.	Existing Security Agreement Amended and Restated	43
SECTION 9.20.	Pathlight Intercreditor Agreement	44
SECTION 9.21.	Joinder of HBC Canada Parent Holdings Inc., HBC Bay Holdings I Inc. and HBC Bay Holdings II ULC.	44

SIGNATURES

EXHIBIT 1	Form of Securities Pledge Amendment
SCHEDULE I	Filings, Registrations and Recordings
SCHEDULE II	Pledged Interests
SCHEDULE III	Intercompany Notes

SECOND AMENDED AND RESTATED GENERAL SECURITY AGREEMENT

SECOND AMENDED AND RESTATED GENERAL SECURITY AGREEMENT dated as of February 12, 2024 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this “Security Agreement”) made by (i) HUDSON’S BAY COMPANY ULC, an unlimited liability company organized under the laws of the Province of British Columbia, as the Canadian Borrower (the “Canadian Borrower”), and (ii) THE GUARANTORS LISTED ON THE SIGNATURE PAGES HERETO (the “Subsidiary Guarantors”) AND THE OTHER GUARANTORS FROM TIME TO TIME PARTY HERETO BY EXECUTION OF A JOINDER AGREEMENT (together with the Subsidiary Guarantors, the “Guarantors”), as pledgors, assignors and debtors (the Canadian Borrower, together with the Guarantors, in such capacities and together with any successors in such capacities, the “Grantors,” and each, a “Grantor”), in favour of BANK OF AMERICA, N.A., having an office at 100 Federal Street, 9th Floor, Boston, Massachusetts 02110, in its capacity as administrative agent and collateral agent for the Credit Parties (as defined in the Credit Agreement defined below) pursuant to the Credit Agreement, as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the “Agent”).

R E C I T A L S :

A. The Grantors, the Agent, and the Lenders party thereto, among others, are parties to that certain Amended and Restated Credit Agreement dated as of October 11, 2019 (as amended, restated, supplemented or otherwise modified from time to time and in effect immediately prior to the effectiveness of this Security Agreement, the “Existing Credit Agreement”).

B. The Canadian Borrower, the Agent and the Guarantors party thereto are parties to that certain Amended and Restated General Security Agreement, dated as of March 3, 2020, as joined by The Bay Holdings ULC, an unlimited liability company organized under the laws of the Province of British Columbia, and The Bay Limited Partnership, a limited partnership organized under the laws of the Province of Ontario, pursuant to that certain Joinder to Credit Agreement dated as of October 29, 2021 (collectively, as amended, restated, supplemented or otherwise modified from time to time and in effect immediately prior to the effectiveness of this Security Agreement, the “Existing Security Agreement”), pursuant to which each Grantor granted in favour of the Agent, for its own benefit and the benefit of the other Credit Parties (as defined in the Existing Credit Agreement), a security interest in and to that certain Collateral (as defined in the Existing Security Agreement), as collateral security for the payment and performance in full of its respective Secured Obligations (as defined in the Existing Security Agreement).

C. The Grantors, the Agent, and the Lenders party thereto, among others, have agreed to amend the Existing Credit Agreement pursuant to a certain Seventh Amendment to Amended and Restated Credit Agreement, dated as of the date hereof (the “Seventh Amendment”, with the Existing Credit Agreement, as amended, restated, supplemented or

otherwise modified from time to time, the “Credit Agreement”), by, among others, the Grantors, the Agent, and the Lenders party thereto.

D. The Grantors have, pursuant to that certain Guarantee dated as of February 5, 2016 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Guarantee”), among other things, unconditionally guaranteed the Guaranteed Obligations (as defined in the Guarantee).

E. The Canadian Borrower and the Guarantors will continue to receive substantial benefits from the Credit Agreement and the other Loan Documents and the performance of the Obligations and the Guaranteed Obligations (as hereinafter defined) and each is, therefore, willing to enter into this Security Agreement to amend and restate the Existing Security Agreement.

F. This Security Agreement is given by each Grantor in favour of the Agent for the benefit of the Credit Parties to secure the payment and performance of all of the Secured Obligations.

G. It is a condition to the Seventh Amendment that each Grantor execute and deliver the applicable Loan Documents, including this Security Agreement.

A G R E E M E N T :

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor and the Agent hereby agree that the Existing Security Agreement is amended and restated in its entirety as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. Definitions.

(a) Unless otherwise defined herein or in the Credit Agreement, capitalized terms used herein that are defined in the PPSA or STA, as applicable, shall have the meanings assigned to them in the PPSA or STA, as applicable.

(b) Capitalized terms used but not otherwise defined herein that are defined in the Credit Agreement shall have the meanings given to them in the Credit Agreement.

(c) The following terms shall have the following meanings:

“Account Control Agreement” means an agreement in a form that is reasonably satisfactory to the Agent establishing the Agent’s Control with respect to any DDA (to the extent the laws of the jurisdiction governing such DDA provide for perfection by control over cash),

Futures Account or Securities Account, and whereby the Controlled Account Bank, Futures Intermediary or Securities Intermediary, as applicable, agrees, upon notice (such notice to be given only after the occurrence and during the continuance of a Cash Dominion Event) received by such Person from the Agent, to comply only with the instructions originated by the Agent without the further consent of any Grantor.

“Additional Guarantors” shall have the meaning assigned to such term in the Preamble hereof.

“Agent” shall have the meaning assigned to such term in the Preamble hereof.

“Canadian Borrower” shall have the meaning assigned to such term in the Preamble hereof.

“Canadian HoldCo” shall mean HBC Canada Parent Holdings Inc.

“Claims” shall mean any and all property taxes and other taxes, assessments and special assessments, levies, fees and all governmental charges imposed upon or assessed against, and all claims (including, without limitation, landlords’, carriers’, mechanics’, workmen’s, repairmen’s, labourers’, materialmen’s, suppliers’ and warehousemen’s Liens and other claims arising by operation of law) against, all or any portion of the Collateral.

“Collateral” shall have the meaning assigned to such term in SECTION 2.1(a) hereof.

“Contracts” shall mean all contracts, undertakings, or agreements (other than rights evidenced by Chattel Paper, Securities or Instruments) in or under which Grantor may now or hereafter have any right, title or interest, including any agreement relating to the terms of payment or the terms of performance of any Account.

“Control” shall mean (i) in the case of each DDA, “control,” as such term is defined in Section 9-104 of the UCC or other applicable Law, and (ii) otherwise, has the meaning given to such term in the STA.

“Copyrights” shall mean, collectively, with respect to each Grantor, all copyrights (whether statutory or common Law, whether established or registered in the United States, Canada or any other country or any political subdivision thereof whether registered or unregistered and whether published or unpublished) and all copyright registrations, recordings and applications made by such Grantor, in each case, whether now owned or hereafter created or acquired by or assigned to such Grantor, including, without limitation, the registrations, recordings and applications listed in Schedule 1(b) of the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Law with respect to such Grantor’s use of such copyrights, (ii) reissues, renewals, continuations and extensions thereof, (iii) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present or future infringements thereof.

“Credit Agreement” shall have the meaning assigned to such term in Recital C hereof.

“Designs” shall mean all of the following: (a) all industrial designs and intangibles of like nature (whether register or unregistered), all registrations and recordings thereof, and all applications in connection therewith under the laws of Canada, including all registrations, recordings and applications in the Canadian Intellectual Property Office including any thereof referred to in Schedule 12(a) of the Perfection Certificate, and (b) all renewals thereof referred to in Schedule 12(a) of the Perfection Certificate.

“Designs License” shall mean any license agreement providing for the grant by or to any Grantor of any right under any Designs, including any thereof referred to in Schedule 12(c) of the Perfection Certificate.

“Distributions” shall mean, collectively, with respect to each Grantor, all Restricted Payments from time to time received, receivable or otherwise distributed to such Grantor in respect of or in exchange for any or all of the Pledged Securities or Intercompany Notes. For the avoidance of doubt, Distributions shall not include any Excluded Property.

“Excluded Property” shall mean:

(a) any Instruments, Documents of Title, Chattel Paper, Intangibles or cash held by any Grantor (i) that is subject to a Lien permitted under the Credit Agreement that secures purchase money, sale/leaseback Indebtedness and other capital leases, and segregated cash to secure letter of credit reimbursement obligations and other segregated deposits, in each case securing Ordinary Course Liens, each pursuant to documents that prohibit such Grantor from granting any other Liens in such property, (ii) if the grant of such security interest therein shall constitute or result in (A) the abandonment, invalidation or unenforceability of any right, title or interest of such Grantor therein or result in such Grantor’s loss of use of such asset, (B) a breach or termination pursuant to the terms of, or a default under, any such governing document of such property, or (C) the other parties to such governing document being given the right to terminate, accelerate or otherwise materially and adversely alter such Grantor’s rights, titles and interests thereunder (including upon the giving of notice or the lapse of time or both), or (iii) to the extent that applicable Law prohibits the creation of a security interest therein or thereon (in each case of this clause (a) after giving effect to Section 40(4) of the PPSA (or any successor provision or provisions) of any relevant jurisdiction or any other applicable Law (including any Debtor Relief Law) or principles of equity) (each of the assets described in this clause (a) being hereinafter referred to as a “Contractual Right”);

(b) any “intent to use” trademark or service mark applications filed pursuant to Section 1(b) of the Lanham Act to the extent that the grant of a security interest therein would impair the validity or enforceability of, or render void or voidable or result in the cancellation of, any Grantor’s right, title or interest therein, unless and until a statement of use or amendment to allege use is filed and accepted by the United States Patent and Trademark Office so that the interests of a Grantor in such marks is no longer on an “intent to use” basis, at which time such marks shall automatically and without further

action by the parties be subject to the security interests and liens granted by a Grantor to Agent hereunder;

(c) Equity Interests in any Person other than a wholly-owned Subsidiary (other than any Loan Party), to the extent not permitted by the terms of such Person's Organization Documents or joint venture documents unless the requisite consent is obtained; and

(d) any Goods, Instruments, Documents of Title, Chattel Paper, Intangibles or cash held by any Grantor (in each case) that the Agent reasonably determines in consultation with the Canadian Borrower that the cost of obtaining a security interest in such property is excessive in relation to the value afforded thereby;

provided, however, that the Contractual Rights described in clause (a) above shall be held in trust by the Grantors for the benefit of the Credit Parties pending the granting of all consents or waivers necessary to cure or avoid such breach or right of termination of such Contractual Right (and immediately upon the granting of such consent or waiver, the security interest granted hereby shall extend to such Contractual Right without further action or documentation being required); provided further that such Contractual Rights shall constitute "Excluded Property" only to the extent and for so long as the governing document of such property or applicable Law validly prohibits the creation of a Lien on such property in favour of the Agent and, upon the termination of such prohibition (howsoever occurring), such property shall cease to constitute "Excluded Property"; provided further, that "Excluded Property" shall not include (x) the right to receive any proceeds arising therefrom, the right to receive any payment of money (including without limitation, Intangibles), or any Proceeds, substitutions or replacements of any Excluded Property (unless such Proceeds, substitutions or replacements would otherwise constitute Excluded Property) and (y) any assets or personal property of the type included in the determination of the Combined Borrowing Base.

"Existing Credit Agreement" shall have the meaning assigned to such term in Recital A hereof.

"Existing Security Agreement" shall have the meaning assigned to such term in Recital B hereof.

"Goodwill" shall mean, collectively, with respect to each Grantor, the goodwill connected with such Grantor's business including, without limitation, (i) all goodwill connected with the use of and symbolized by any other Intellectual Property in which such Grantor has any interest, (ii) all know-how, trade secrets, customer and supplier lists, proprietary information, inventions, methods, procedures, formulae, descriptions, compositions, technical data, drawings, specifications, name plates, catalogs, confidential information and the right to limit the use or disclosure thereof by any Person, pricing and cost information, business and marketing plans and proposals, consulting agreements, engineering contracts and such other assets which relate to such goodwill and (iii) all product lines of such Grantor's business.

"Grantor" shall have the meaning assigned to such term in the Preamble hereof.

“Guarantors” shall have the meaning assigned to such term in the Preamble hereof.

“Guarantee” shall have the meaning assigned to such term in Recital D hereof.

“Intellectual Property” shall mean, collectively, (i) the Patents, Trademarks, Copyrights, Designs, Licenses, Goodwill, software, inventions, industrial designs, design rights, product configurations, trade secrets, confidential or proprietary technical information, know-how, show-how or other proprietary data or proprietary information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, (ii) all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing, (iii) rights to sue for past, present and future infringements or violations thereof, and (iv) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto including, without limitation, damages and payments for past, present or future infringements or violations thereof.

“Intercompany Notes” shall mean, with respect to each Grantor, all intercompany notes described on Schedule III hereto and each intercompany note hereafter acquired by such Grantor and all certificates, instruments or agreements evidencing such intercompany notes, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof to the extent permitted pursuant to the terms hereof. For the avoidance of doubt, Intercompany Notes shall not include any Excluded Property.

“Licenses” shall mean, collectively, with respect to each Grantor, all license and distribution agreements with any other Person with respect to any Patent, Trademark, Design or Copyright or any other patent, trademark, industrial design or copyright, whether such Grantor is a licensor or licensee, distributor or distributee under any such license or distribution agreement, together with any and all (i) renewals, extensions, supplements and continuations thereof, (ii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto including, without limitation, damages and payments for past, present or future infringements or violations thereof, (iii) rights to sue for past, present and future infringements or violations thereof and (iv) other rights to use, exploit or practice any or all of the Patents, Trademarks, Designs or Copyrights or any other patent, trademark, industrial design or copyright.

“Ordinary Course Liens” shall mean the Liens described in clauses (c), (d), (e), (f), (j)(ii), (k), (r) and (w) of the definition of “Permitted Encumbrances” set forth in the Credit Agreement.

“Patents” shall mean, collectively, with respect to each Grantor, all patents issued or assigned to and all patent applications made by such Grantor (whether established or registered or recorded in the United States, Canada or any other country or any political subdivision thereof), including, without limitation, those patents and patent applications listed in Schedule 12(a) of the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Law with respect to such Grantor’s use of any patents, (ii) inventions and improvements described and claimed therein, (iii) reissues, reexaminations, divisions, continuations, renewals, extensions and continuations-in-part thereof, (iv) income, fees,

royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including, without limitation, damages and payments for past, present or future infringements thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

“Perfection Certificate” shall mean that certain Perfection Certificate dated as of the date hereof, executed and delivered by each Grantor and each other Loan Party in favour of the Agent for the benefit of the Credit Parties, and each other Perfection Certificate (which shall be in form and substance reasonably acceptable to the Agent) executed and delivered by the Grantors or applicable Grantor in favour of the Agent for the benefit of the Credit Parties contemporaneously with the execution and delivery of a Joinder Agreement executed in accordance with Section 6.11 of the Credit Agreement, in each case, as the same may be amended, amended and restated, restated, supplemented or otherwise modified from time to time in accordance with the Credit Agreement.

“Pledge Amendment” shall have the meaning assigned to such term in SECTION 7.1 hereof.

“Pledged Interests” shall mean, collectively, with respect to each Grantor, all Equity Interests in any issuer now existing or hereafter acquired or formed, including, without limitation, all Equity Interests of such issuer described in Schedule II hereof, together with all rights, privileges, authority and powers of such Grantor relating to such Equity Interests issued by any such issuer under the Organization Documents of any such issuer, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Grantor in the entries on the books of any financial intermediary pertaining to such Equity Interests, from time to time acquired by such Grantor in any manner, and all other Investment Property owned by such Grantor. For the avoidance of doubt, Pledged Interests shall not include any Excluded Property.

“Pledged Securities” shall mean, collectively, the Pledged Interests and the Successor Interests.

“Pledged ULC Shares” means the Equity Interests which are shares in the capital stock of a ULC.

“Quarterly Update Date” shall mean, as of any date, the first date following such date (that may be extended in the Agent’s sole discretion) that is the latest of (i) sixty (60) days after such date, and (ii) the date on which financial statements are required to be delivered pursuant to Section 6.01(a) or 6.01(b) of the Credit Agreement.

“Secured Obligations” shall mean the Obligations (as defined in the Credit Agreement) and the Guaranteed Obligations; provided, however, that Other Liabilities shall be Secured Obligations solely to the extent that there is sufficient Collateral following satisfaction of the Obligations described in clause (a) of the definition of Obligations.

“Securities Collateral” shall mean, collectively, the Pledged Securities, the Intercompany Notes and the Distributions.

“Security Agreement” shall have the meaning assigned to such term in the Preamble hereof.

“Seventh Amendment” shall have the meaning assigned to such term in Recital C hereof.

“Successor Interests” shall mean, collectively, with respect to the Pledged Securities, all shares of each class of the Equity Interests of any successor corporation or interests or certificates of the successor limited liability company, partnership or other entity formed by or resulting from any consolidation or merger in which any issuer of Pledged Securities is not the surviving entity.

“STA” shall mean means the *Securities Transfer Act*, 2006, S.O. 2006, c. 8, as in effect in the Province of Ontario from time to time; provided, however, that if attachment, perfection or priority of the Agent’s security interests in any Collateral are governed by the securities transfer act of any Canadian jurisdiction other than Ontario, STA means those personal property security laws in such other jurisdiction for the purposes of the provisions hereof relating to such attachment, perfection or priority and for the definitions related to such provisions.

“Trademarks” shall mean, collectively, with respect to each Grantor, all trademarks (including service marks), slogans, logos, certification marks, trade dress, uniform resource locations (URLs), domain names, corporate names, company names, business names, brand names, trade styles, trade names and other source or business identifiers and all intangibles of like nature, whether registered or unregistered, owned by or assigned to such Grantor and all registrations and applications for the foregoing (whether statutory or common Law and whether established or registered in the United States, Canada or any other country or any political subdivision thereof), including, without limitation, the registrations and applications listed in Schedule 12(a) of the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Law with respect to such Grantor’s use of any trademarks, (ii) reissues, continuations, extensions and renewals thereof, (iii) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages, claims and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present and future infringements thereof.

“UCC” or “Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that if a term is defined in Article 9 of the Uniform Commercial Code differently than in another Article thereof, the term shall have the meaning set forth in Article 9; provided further that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection, of a security interest in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, “Uniform Commercial Code” means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

“ULC” means any unlimited company, unlimited liability company or unlimited liability corporation or any similar entity existing under the laws of any province or territory of Canada and any successor to any such entity.

SECTION 1.2. Interpretation. The rules of interpretation specified in Article I of the Credit Agreement shall be applicable to this Security Agreement.

SECTION 1.3. Perfection Certificate. The Agent and each Grantor agree that the Perfection Certificate, and all schedules, amendments and supplements thereto are and shall at all times remain a part of this Security Agreement.

ARTICLE II

GRANT OF SECURITY AND SECURED OBLIGATIONS

SECTION 2.1. Pledge; Grant of Security Interest.

(a) As collateral security for the payment and performance in full of all the Secured Obligations, each Grantor hereby pledges, assigns, mortgages, charges, hypothecates and grants to the Agent for its benefit and for the benefit of the other Credit Parties, a Lien on and security interest in, and assignment by way of security of, all of the right, title and interest of such Grantor in, to and under the following personal property and interests in such personal property, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the “Collateral”):

- (i) all Accounts;
- (ii) all Goods, including Equipment, Inventory and fixtures;
- (iii) all cash and Money;
- (iv) all cash equivalents;
- (v) all DDAs, all Securities Accounts and all Futures Accounts (and all cash, Securities Entitlements, Investment Property, Futures Contracts and all other property from time to time deposited therein or otherwise credited thereto);
- (vi) all Investment Property;
- (vii) all Documents of Title, Instruments (including all promissory notes and other evidence of Indebtedness) and Chattel Paper (whether tangible or electronic);
- (viii) all letters of credit;
- (ix) all Securities Collateral;

- (x) all Intellectual Property;
- (xi) [reserved];
- (xii) [reserved];
- (xiii) (a) all Intangibles;
- (xiv) all present and future Contracts, contract rights and insurance claims;
- (xv) all books and records (including customer lists, credit files, computer programs, printouts and other computer materials and records, as well as all deeds, documents, writings and papers) relating to the foregoing Collateral; and
- (xvi) to the extent not covered by clauses (i) through (xv) of this sentence, all other personal property of such Grantor, whether tangible or intangible, and all Proceeds and products of each of the foregoing and all accessions and accretions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, any and all proceeds of any insurance, indemnity, warranty or guaranty payable to such Grantor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (i) through (xiv) above, the security interest created by this Security Agreement shall not extend to, and the term "Collateral" shall not include, (x) the last day of the term of any lease or sublease or any agreement for a lease or sublease, now held or hereafter acquired by any Grantor in respect of Real Estate or any Contractual Right therefor, but the applicable Grantor shall stand possessed of such last day in trust to assign the same to any person acquiring such term as the Agent may direct, or (y) any Excluded Property. The Grantors shall from time to time at the request of the Agent give written notice to the Agent identifying in reasonable detail the Excluded Property and shall provide to the Agent such other information regarding the Excluded Property as the Agent may reasonably request. If and when any property or interest in property shall cease to be Excluded Property, a Lien on and security interest in such property or interest in property shall be granted immediately and automatically therein, without any further action by any Person. Furthermore: (w) each Grantor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its respective duties and obligations thereunder to the same extent as if this Security Agreement or the other Loan Documents had not been executed; (x) the exercise by the Agent of any of the rights under this Security Agreement or the other Loan Documents shall not release any Grantor from any of its respective duties or obligations to the parties under the contracts and agreements included in the Collateral; (y) the Agent shall have no obligation or liability under the contracts and agreements included in the Collateral by reason of this Security Agreement or the other Loan Documents, nor shall the Agent be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned under this Security Agreement or the other Loan Documents; and (z) the Agent shall have no liability in contract or tort for any Grantor's acts or omissions.

In addition, to secure the prompt and complete payment, performance and observation of the Secured Obligations, each Grantor hereby grants to the Agent, for the benefit of the Credit Parties, a right of set-off against Collateral now or hereafter in the possession or custody of or in transit to the Agent or any other Credit Party for any purpose, which right of set-off may only be exercised upon the occurrence of an Event of Default which is continuing.

Notwithstanding anything in this Security Agreement to the contrary, other than the filing of a PPSA financing statement as provided in SECTION 3.3 hereof, no actions shall be required to perfect the security interest granted hereunder in the Equity Interests of any Immaterial Subsidiary or Unrestricted Subsidiary (other than Equity Interests in Unrestricted Subsidiaries that constitute Extension Collateral), except, in each case, to the extent perfection of a security interest therein may be accomplished by the filing of a financing statement in the appropriate form in the applicable jurisdiction under the PPSA; provided that this paragraph shall not be applicable with respect to assets and personal property included in the determination of the Combined Borrowing Base.

(b) The security interest granted herein does not extend to consumer goods.

SECTION 2.2. Secured Obligations. This Security Agreement secures, and the Collateral is collateral security for, the payment and performance in full when due of the Secured Obligations.

SECTION 2.3. Security Interest Each Grantor hereby irrevocably authorizes the Agent at any time and from time to time to authenticate and file in any relevant jurisdiction any financing statements (including renewal statements), financing change statements, amendments and supplements or such other instruments as the Agent may from time to time reasonably deem necessary in order to perfect and maintain the security interests granted hereunder in accordance with the PPSA. Such financing statements, financing change statements, amendments, supplements or other instruments may state (i) such information about such Grantor as is required by applicable Law to be included therein, and (ii) a description of the Collateral as “all assets of the Grantor, wherever located, whether now owned or hereafter acquired”, “all present and after-acquired personal property of the Grantor” or other similar supergeneric description (it being acknowledged that such description may be broader and/or less specific than the description of the Collateral contained herein). Each Grantor agrees to provide all information described in the immediately preceding sentence to the Agent promptly upon request.

(b) Each Grantor hereby ratifies its prior authorization for the Agent to file in any relevant jurisdiction any financing statements, financing change statements, or amendments thereto relating to the Collateral if filed prior to the date hereof.

(c) Each Grantor hereby further authorizes the Agent to make filings with the Canadian Intellectual Property Office, the United States Patent and Trademark Office and the United States Copyright Office (or any successor office) or prepare other necessary documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by such Grantor hereunder in any registered Trademarks,

registered Copyrights, issued Patents and applications to register any of the foregoing, in each case, (i) in the United States or Canada and (ii) to the extent not constituting Excluded Property, without the signature of such Grantor, and naming such Grantor, as debtor, and the Agent, as secured party.

ARTICLE III

PERFECTION; SUPPLEMENTS; ACTIONS WITH RESPECT TO CERTAIN COLLATERAL

SECTION 3.1. Delivery of Certificated Securities Collateral. Each Grantor represents and warrants that all certificates, agreements or instruments representing or evidencing the Securities Collateral (other than Intercompany Notes with a face value of less than \$2,000,000) in existence on the date hereof have been delivered (or will be delivered within five (5) Business Days after the Effective Date) to the Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank and that, upon receipt, the Agent has or will have a perfected first priority security interest therein (subject to the Liens of the Pathlight Term Agent in the Securities Collateral constituting “Term Loan Priority Collateral” (as defined in the Pathlight Intercreditor Agreement)), to the extent such security interest may be created and perfected under the PPSA, as security for the payment and performance of the Secured Obligations. Each Grantor hereby agrees that all certificates, agreements or instruments representing or evidencing Securities Collateral (other than Intercompany Notes with a face value of less than \$2,000,000) acquired by such Grantor after the date hereof, shall promptly (and in any event within thirty (30) days) upon receipt thereof by such Grantor be delivered to and held by or on behalf of the Agent pursuant hereto. All such certificated Securities Collateral shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Agent. The Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default, to endorse, assign or otherwise transfer to or to register in the name of the Agent or any of its nominees or endorse for negotiation any or all of such Securities Collateral, without any indication that the Securities Collateral is subject to the security interest hereunder. In addition, the Agent shall have the right with written notice to the Canadian Borrower and such Grantor(s) to exchange certificates representing or evidencing Securities Collateral for certificates of smaller or larger denominations, accompanied by instruments of transfer or assignment and letters of direction duly executed in blank.

SECTION 3.2. Perfection of Uncertificated Securities Collateral. Each Grantor represents and warrants that:

(a) Subject to the Liens of the Pathlight Term Agent in the Pledged Securities constituting “Term Loan Priority Collateral” (as defined in the Pathlight Intercreditor Agreement), the Agent has a perfected first priority security interest in all uncertificated Pledged Securities pledged by it hereunder that is in existence on the date hereof, to the extent such security interest may be created and perfected under the PPSA, as security for

the payment and performance of the Secured Obligations, and that the applicable Organization Documents do not require the consent of the other shareholders, members, partners or other Persons to permit the Agent or its designee to be substituted for the applicable Grantor as a shareholder, member, partner or other equity owner, as applicable, thereto unless such consent has been obtained or is listed on Schedule 7.10 of the Credit Agreement or that relate to the pledge of Pledged Interests of Immaterial Subsidiaries or Unrestricted Subsidiaries that are not Specified Pledged Entities that exist as a result of transfer restrictions in the applicable Organization Documents. Each Grantor hereby agrees that if any of the Pledged Securities are at any time not evidenced by certificates of ownership, then each applicable Grantor shall, to the extent permitted by applicable Law and upon the request of the Agent, cause such pledge to be recorded on the equityholder register or the books of the issuer, execute customary pledge forms or other documents necessary or reasonably requested to complete the pledge and give the Agent the right to transfer such Pledged Securities under the terms hereof and, provide to the Agent an opinion of counsel, in form and substance reasonably satisfactory to the Agent, confirming such pledge and perfection thereof.

(b) With respect to each Grantor and its Subsidiaries that is a partnership or a limited liability company, should such Grantor or its Subsidiaries cause its partnership interests or membership interests to become (if not already the case) a “security” governed by Section 12 of the STA, such Grantor shall issue “security certificates” (as defined in the STA), and deliver such “security certificates” to the Agent in accordance with the provisions of SECTION 3.1 hereof, as such certificates constitute Collateral. Except with respect to partnership interests and membership interests evidenced by a certificate, which certificate constitutes Collateral and has been pledged and delivered to the Agent pursuant to SECTION 3.1 hereof, no Grantor that is a partnership or a limited liability company shall, nor shall any Grantor with any Subsidiary that is a partnership or a limited liability company, permit such partnership interests or membership interests to (w) to be dealt in or traded on securities exchanges or in securities markets, (x) become a security for purposes of Section 12 of the STA (if not already the case), (y) become an investment company security within the meaning of the STA or (z) be evidenced by a certificate. Each Grantor agrees that such partnership interests or membership interests shall constitute Intangibles.

SECTION 3.3. Financing Statements and Other Filings; Maintenance of Perfected Security Interest. Each Grantor represents and warrants as of the date hereof that the only filings, registrations and recordings necessary and appropriate to create, preserve, protect, publish notice of and perfect the security interest granted by each Grantor to the Agent (for the benefit of the Credit Parties) pursuant to this Security Agreement in respect of the Collateral are listed on Schedule I hereto. Each Grantor represents and warrants as of the date hereof that all such filings, registrations and recordings have been delivered to the Agent in completed and, to the extent necessary or appropriate, duly executed form for filing in each governmental, municipal or other office specified in Schedule I attached hereto. Each Grantor agrees that at the sole cost and expense of the Grantors, (i) such Grantor will maintain the security interest created by this Security Agreement in the Collateral as a perfected first priority security interest (other than, in the case of this clause (i), with respect to non-consensual Liens having priority by operation of applicable Law over the Lien of the Agent and the Liens of the Pathlight Term Agent in the “Term Loan Priority Collateral” (as defined in the Pathlight Intercreditor Agreement)) and shall defend such security interest against the claims and demands of all Persons (other than (i) with respect to claims or demands regarding priority of Liens, Permitted Encumbrances having priority by operation of law, and (ii) with respect to all other claims and demands, Permitted Encumbrances), and (ii) at any time and from time to time, upon the written request of the Agent, such Grantor shall promptly and duly execute and deliver, and file and have recorded, such further instruments and documents and take such further action as the Agent may reasonably request (in each case to the extent consistent with the terms hereof and of the other Loan Documents), including the filing of any financing statements, financing change statements, continuation statements and other documents (including this Security Agreement) under the PPSA (or other applicable Laws) in effect in any jurisdiction with respect to the security interest created hereby and the execution and delivery of Account Control Agreements, all in form reasonably satisfactory to the Agent and in such offices (including without limitation, the Canadian Intellectual Property Office, the United States Patent and Trademark Office and the United States Copyright Office) wherever required by applicable Law in each case to perfect, continue and maintain a valid, enforceable, first priority security interest in the Collateral (subject to the Liens of the Pathlight Term Agent in the “Term Loan Priority Collateral” (as defined in the Pathlight Intercreditor Agreement)) as and to the extent provided herein and to preserve the other rights and interests granted to the Agent hereunder, as against the Grantors and third parties (other than Permitted Encumbrances), with respect to the Collateral.

SECTION 3.4. Other Actions. In order to further evidence the attachment, perfection and priority of, and the ability of the Agent to enforce, the Agent’s security interest in the Collateral, each Grantor represents, warrants and agrees, in each case at such Grantor’s own expense, with respect to the following Collateral that:

(a) Instruments, Documents of Title. (i) As of the date hereof, (1) no amount payable under or in connection with any of the Collateral is evidenced by any Instrument having a face value in excess of \$2,000,000 other than such Instruments listed in Schedule 11 of the Perfection Certificate, and (2) each Instrument constituting Collateral listed in Schedule 11 of the Perfection Certificate, to the extent in excess of \$2,000,000 and requested by the Agent, has been properly endorsed, assigned and delivered to the Agent, accompanied by instruments of transfer or assignment and letters of direction duly executed in blank. If any amount payable under or in connection with any of the

Collateral shall be evidenced by any Instrument with a face value in excess of \$2,000,000, the Grantor acquiring such Instrument shall forthwith endorse, assign and deliver the same to the Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Agent may reasonably request from time to time.

(ii) (i) As of the date hereof, (1) no property constituting Collateral is stored or shipped subject to a Document of Title where the property subject to such Document of Title exceeds \$2,000,000 other than such Documents of Title listed in Schedule 3(e) of the Perfection Certificate, and (2) each Document listed in Schedule 3(e) of the Perfection Certificate, to the extent having a face value in excess of \$2,000,000, has been delivered to the Agent, accompanied by instruments of transfer or assignment and letters of direction duly executed in blank. If any property constituting Collateral is stored or shipped subject to a Document of Title with a face value in excess of \$2,000,000, the applicable Grantor shall forthwith deliver such Document of Title to the Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Agent may reasonably request from time to time.

(b) Investment Property. (i) As of the date hereof, (1) it has no Securities Accounts or Futures Accounts other than those listed in Schedule 14 of the Perfection Certificate, (2) it has entered into or shall, within the period specified in the Credit Agreement, enter into a duly authorized, executed and delivered Account Control Agreement with respect to each Securities Account constituting Collateral and listed in Schedule 14 of the Perfection Certificate with respect to which the Agent has a perfected first priority security interest in such Securities Accounts by Control, and (3) it has entered into or shall, within the period specified in the Credit Agreement, enter into a duly authorized, executed and delivered Account Control Agreement with respect to each Futures Account constituting Collateral and listed in Schedule 14 of the Perfection Certificate with respect to which the Agent has a perfected first priority security interest in such Futures Accounts by Control.

(ii) If any Grantor shall at any time hold or acquire any certificated Pledged Securities such Grantor shall promptly notify the Agent thereof and endorse, assign and deliver the same to the Agent, accompanied by such instruments of transfer or assignment duly executed in blank, all in form and substance reasonably satisfactory to the Agent. Each Grantor shall accept any cash and Investment Property which are proceeds of the Pledged Interests in trust for the benefit of the Agent and promptly upon receipt thereof, deposit any cash received by it into a Controlled Account. No Grantor shall grant control over any Pledged Securities to any Person other than the Agent.

(iii) (1) No Grantor shall hereafter establish and maintain any Securities Account constituting Collateral with any Securities Intermediary unless (A) the applicable Grantor shall, on or before the next Quarterly Update Date following the establishment of such new Securities Account with such Securities Intermediary, give notice of the new Securities Account to the Agent, (B) such Securities Intermediary shall be reasonably acceptable to the Agent and (C) such Grantor shall use commercially reasonable efforts to deliver an Account Control Agreement with respect to such Securities Account on or before the next Quarterly Update Date following the notice of

such new Securities Account to Agent. The Agent agrees with each Grantor that the Agent shall not give any entitlement orders or instructions or directions to any Securities Intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by such Grantor, unless a Cash Dominion Event has occurred and is continuing.

(2) No Grantor shall hereafter establish and maintain any Futures Account constituting Collateral with any Futures Intermediary unless (A) the applicable Grantor shall, on or before the next Quarterly Update Date following the establishment of such new Futures Account with such Futures Intermediary, given notice of the new Futures Account to the Agent, (B) such Futures Intermediary shall be reasonably acceptable to the Agent and (C) such Grantor shall use commercially reasonable efforts to deliver an Account Control Agreement with respect to such Futures Account on or before the next Quarterly Update Date following the notice of such new Futures Account to the Agent. The Agent agrees with each Grantor that the Agent shall not give any entitlement orders or instructions or directions to any Futures Intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by such Grantor, unless a Cash Dominion Event has occurred and is continuing.

(iv) As between the Agent and the Grantors, the Grantors shall bear the investment risk with respect to the Investment Property, and the risk of loss of, damage to, or the destruction of the Investment Property, whether in the possession of, or maintained as a security entitlement or deposit by, or subject to the control of, the Agent, a Securities Intermediary, a Futures Intermediary, any Grantor or any other Person; provided, however, that nothing contained in this SECTION 3.4(b) shall release or relieve any Securities Intermediary or any Futures Intermediary of its duties and obligations to the Grantors or any other Person under any Account Control Agreement or under applicable Law. Each Grantor shall promptly pay all Claims and fees of whatever kind or nature with respect to the Investment Property. In the event any Grantor shall fail to make such payment contemplated in the immediately preceding sentence, the Agent may do so for the account of such Grantor and the Grantors shall promptly reimburse and indemnify the Agent for all costs and expenses incurred by the Agent under this SECTION 3.4(b) and under SECTION 9.3 hereof.

(c) [Reserved]

(d) Letter of Credit Rights. If such Grantor is at any time a beneficiary under a letter of credit constituting Collateral now or hereafter issued in favour of such Grantor (which, for the avoidance of doubt, shall not include any Letter of Credit issued pursuant to the Credit Agreement), such Grantor shall, on or before the next Quarterly Update Date following the acquisition thereof, notify the Agent thereof and such Grantor shall, at the request of the Agent, pursuant to an agreement in form and substance reasonably satisfactory to the Agent, either (i) use commercially reasonable efforts to arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Agent of, and to pay to the Agent, the proceeds of, any drawing under such letter of credit or (ii) arrange for the Agent to become the beneficiary of such letter of credit, with the Agent agreeing, in each case, that the proceeds of any drawing under such letter of credit are to

be applied as provided in the Credit Agreement. The actions in the preceding sentence shall not be required to the extent that the amount of any such letter of credit, together with the aggregate amount of all other letters of credit for which the actions described above in clauses (i) and (ii) have not been taken, does not exceed \$5,000,000 in the aggregate for all Grantors.

(e) [Reserved.]

(f) Additional Actions. Notwithstanding anything in this Security Agreement to the contrary, other than the filing of a PPSA financing statement as provided in SECTION 3.3, no Grantor shall be required to complete any filings or other action with respect to the perfection of the security interests created hereby with respect to any assets in any jurisdiction outside of the United States, Canada or any political subdivision of the foregoing to the extent that a lien on such assets cannot be created and perfected under the law of the United States, Canada or any political subdivision of the foregoing (including, without limitation, the District of Columbia or any state or province of the United States or Canada).

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

In addition to, and without limitation of, each of the representations, warranties and covenants set forth in the Credit Agreement and the other Loan Documents, each Grantor represents, warrants and covenants as follows:

SECTION 4.1. Title. No effective financing statement or other effective public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favour of the Agent pursuant to this Security Agreement or as are permitted by the Credit Agreement. No Person other than the Agent has control or possession of all or any part of the Collateral, except as permitted by the Credit Agreement.

SECTION 4.2. Limitation on Liens; Defense of Claims; Transferability of Collateral. Each Grantor is as of the date hereof, and, as to Collateral acquired by it from time to time after the date hereof, such Grantor will be, the sole direct and beneficial owner of all Collateral pledged by it hereunder free from any Lien or other right, title or interest of any Person other than the Liens and security interest created by this Security Agreement and Permitted Encumbrances. Each Grantor shall, at its own cost and expense, defend title to the Collateral pledged by it hereunder and the security interest therein and Lien thereon granted to the Agent and the priority thereof against all claims and demands of all Persons, at its own cost and expense, at any time claiming any interest therein adverse to the Agent or any other Credit Party other than (i) with respect to claims or demands regarding priority of Liens, Permitted Encumbrances having priority by operation of law, and (ii) with respect to all other claims and demands, Permitted Encumbrances. There is no agreement, and no Grantor shall enter into any agreement or take any other action, that would restrict the transferability of any of the Collateral

or otherwise impair or conflict with such Grantors' obligations or the rights of the Agent hereunder, in each case except as permitted by the Credit Agreement.

SECTION 4.3. Due Authorization and Issuance All of the Pledged Interests have been, and to the extent any Pledged Interests are hereafter issued, such shares or other equity interests will be, upon such issuance, duly authorized, validly issued and, to the extent applicable, fully paid and non-assessable. All of the Pledged Interests have been fully paid for, and there is no amount or other obligation owing by any Grantor to any issuer of the Pledged Interests in exchange for or in connection with the issuance of the Pledged Interests or any Grantor's status as a partner or a member of any issuer of the Pledged Interests.

SECTION 4.4. No Conflicts, Consents, etc. No consent of any party (including, without limitation, equity holders or creditors of such Grantor) and no consent, authorization, approval, license or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or other Person is required (A) for the grant of the security interest by such Grantor of the Collateral pledged by it pursuant to this Security Agreement or for the execution, delivery or performance hereof by such Grantor, (B) for the exercise by the Agent of the voting or other rights provided for in this Security Agreement or (C) for the exercise by the Agent of the remedies in respect of the Collateral pursuant to this Security Agreement except, in each case, for such consents, authorizations, approvals, licenses or other actions which have been obtained on or prior to the date hereof or which are listed on Schedule 7.10 of the Credit Agreement or that relate to the pledge of Pledged Interests of Immaterial Subsidiaries or Unrestricted Subsidiaries that are not Specified Pledged Entities that exist as a result of transfer restrictions in the applicable Organization Documents. Following the occurrence and during the continuation of an Event of Default, if the Agent desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Security Agreement and determines it necessary to obtain any approvals or consents of any Governmental Authority or any other Person therefor, then, upon the reasonable request of the Agent, such Grantor agrees to use commercially reasonable efforts to assist and aid the Agent to obtain as soon as commercially practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

SECTION 4.5. Collateral. All information set forth herein, including the schedules annexed hereto, and all information contained in any documents, schedules and lists heretofore delivered to any Credit Party in connection with this Security Agreement, in each case, relating to the Collateral, is accurate and complete in all material respects as of the date delivered (or, if different, the date specified herein or in such schedule, document or list with respect to such information).

SECTION 4.6. Insurance. Such Grantor shall maintain or shall cause to be maintained such insurance as is required pursuant to Section 6.07 of the Credit Agreement. Each Grantor hereby irrevocably makes, constitutes and appoints the Agent (and all officers, employees or agents designated by the Agent) as such Grantor's true and lawful agent (and attorney-in-fact), exercisable only after the occurrence and during the continuance of a Cash Dominion Event, for the purpose of making, settling and adjusting claims in respect of the Collateral under policies of insurance, endorsing the name of such Grantor on any cheque, draft, instrument or other item of payment for the proceeds of such policies of insurance and for

making all determinations and decisions with respect thereto. In the event that any Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or in part relating thereto, the Agent may, without waiving or releasing any obligation or liability of the Grantors hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Agent deems advisable. All sums disbursed by the Agent in connection with this SECTION 4.6, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Grantors to the Agent and shall be additional Secured Obligations secured hereby.

SECTION 4.7. Access to Collateral, Books and Records; Other Information. The Agent shall have inspection rights in accordance with Section 6.10 of the Credit Agreement. Such Grantor shall, at any and all times, within a reasonable time after written request by the Agent, furnish or cause to be furnished to the Agent, in such manner and in such detail as may be reasonably requested by the Agent, additional information with respect to the Collateral.

SECTION 4.8. No Accessions. Except for Collateral that is disposed of in accordance with this Security Agreement or the Loan Documents, each Grantor shall prevent Collateral from being or becoming an Accession to property not covered by this Security Agreement or any other Loan Document.

SECTION 4.9. Further Identification of Collateral. Each Grantor shall promptly notify the Agent in writing upon acquiring any interest hereafter in property that is of a type constituting Collateral where a security interest or other applicable Lien must be registered, recorded or filed under, or notice thereof given under, any federal statute or regulation.

SECTION 4.10. Amendments Not Authorized. Each Grantor acknowledges that it is not authorized to file any financing change statement with respect to any financing statement that has been filed in respect of any Security Document without the prior written consent of the Agent.

ARTICLE V

CERTAIN PROVISIONS CONCERNING INTELLECTUAL PROPERTY

SECTION 5.1. Representations and Warranties.

. Schedules 12(a), 12(b) and 12(c) of the Perfection Certificate set forth a true and complete list of (i) all United States or Canadian registered Trademarks, registered Copyrights, registered Designs and issued Patents, and all applications to register any of the foregoing, owned by each Grantor, (ii) all Patent Licenses, Trademark Licenses, Design Licenses, Copyright Licenses in each case, (x) recorded with the United States Patent and Trademark Office, the United States Copyright Office or the Canadian Intellectual Property Office and (y) that are material to the business of such Grantor as of the date hereof, and (iii) all Patent Licenses, Trademark Licenses, Design Licenses and Copyright Licenses in connection with the supply of inventory or any other assets that are material to the operation of the business

of any Grantor as of the date hereof, in each case, except for commercially readily available software, including “shrink-wrap” licenses, “click-through” agreements, website terms of use, end-user agreements and licenses for “off-the-shelf” or commercially available software.

SECTION 5.2. Grant of License. Without limiting the rights of Agent as the holder of a Lien on the Collateral constituting Intellectual Property, for the purpose of enabling the Agent, solely after the occurrence and during the continuance of an Event of Default, to exercise rights and remedies under Article VII hereof at such time as the Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to the Agent, to the extent it has the right to do so, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Grantor), (subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favour of such Grantor to avoid the risk of invalidation of said Trademarks), to use, operate under, license, or sublicense any Intellectual Property now owned or hereafter acquired by such Grantor, wherever the same may be located, including in such license, to the extent it has the right to grant such rights, access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

SECTION 5.3. Registrations. Except pursuant to licenses and other user agreements entered into by any Grantor in the ordinary course of business that are listed in Schedules 12(a), 12(b) or 12(c) of the Perfection Certificate on and as of the date hereof (i) each Grantor owns and possesses the right to use each material Copyright, Patent, Design or Trademark listed in Schedules 12(a), 12(b) or 12(c) of the Perfection Certificate, and (ii) all registrations listed in Schedules 12(a), 12(b) or 12(c) of the Perfection Certificate are in full force and effect, and to the Grantor’s knowledge, valid.

SECTION 5.4. No Violations or Proceedings. To each applicable Grantor’s knowledge, on and as of the date hereof, there is no violation by others of any right of such Grantor with respect to any Copyright, Patent, Design or Trademark listed in Schedule 12(a), 12(b) or 12(c) of the Perfection Certificate, respectively, and pledged by it under the name of such Grantor.

SECTION 5.5. Protection of Agent’s Security. On a continuing basis, each Grantor shall, at its sole cost and expense, (i) promptly following its becoming aware thereof, notify the Agent of (A) any adverse determination in any proceeding in the Canadian Intellectual Property Office, the United States Patent and Trademark Office or the United States Copyright Office with respect to any Patent, Design, Trademark or Copyright necessary for the conduct of business of such Grantor or (B) the institution of any proceeding or any adverse determination in any federal, provincial, territorial, state or local court or administrative body regarding such Grantor’s claim of ownership in or right to use any of the Intellectual Property that is material to the use and operation of the Collateral, its right to register such Intellectual Property or its right to keep and maintain such registration in full force and effect, (ii) maintain and protect, in a manner consistent with such Grantor’s commercially reasonable business judgment, the Intellectual Property necessary for the conduct of business of such Grantor, (iii) not permit to lapse or become abandoned any Intellectual Property necessary for the conduct of business of such Grantor, and not settle or compromise any pending or future litigation or administrative proceeding with respect to such Intellectual Property, in each case except as shall be consistent

with such Grantor's commercially reasonable business judgment and, if any Event of Default has occurred and is continuing, with the prior approval of the Agent (such approval not to be unreasonably withheld, conditioned or delayed), (iv) upon such Grantor's obtaining knowledge thereof, except with respect to events affecting financial markets generally or relating to general economic conditions, promptly notify the Agent in writing of any event which may be reasonably expected to materially and adversely affect the value of the Intellectual Property material to such Grantor's business or material to the use of the Collateral, the ability of such Grantor or the Agent to dispose of the Intellectual Property or any portion thereof or the rights and remedies of the Agent in relation thereto including, without limitation, any legal process against the Intellectual Property, (v) not license the Intellectual Property other than licenses entered into by such Grantor in, or incidental to, the ordinary course of business or as otherwise not in violation of the Credit Agreement, (vi) until the Agent exercises its rights to make collection, diligently keep records respecting the Intellectual Property that such Grantor customarily keeps in the ordinary course of business and (vii) furnish to the Agent from time to time upon the Agent's reasonable request therefor detailed statements and amended schedules further identifying and describing the Intellectual Property and such other materials evidencing or reports pertaining to the Intellectual Property as the Agent may from time to time request. Notwithstanding the foregoing, nothing herein shall prevent any Grantor from selling, disposing of or otherwise using any Intellectual Property to the extent not in violation of the Credit Agreement.

SECTION 5.6. After-Acquired Property. If any Grantor shall, at any time before this Security Agreement shall have been terminated in accordance with SECTION 9.5(a), (i) obtain any rights to any additional Intellectual Property or (ii) become entitled to the benefit of any additional Intellectual Property or any renewal or extension thereof, including any reissue, divisional, continuation, or continuation-in-part of any Intellectual Property, or any improvement on any Intellectual Property, the provisions hereof shall automatically apply thereto and any such item enumerated in clause (i) or (ii) of this SECTION 5.6 with respect to such Grantor shall automatically constitute Collateral if such would have constituted Collateral at the time of execution hereof and be subject to the Lien and security interest created by this Security Agreement without further action by any party. With respect to any United States or Canadian federally registered Intellectual Property, on or before the next Quarterly Update Date after obtaining such additional federally registered Intellectual Property, and any "intent to use" trademark or service mark for which statement of use has been filed and accepted by the United States Patent and Trademark Office, each Grantor shall promptly (a) provide to the Agent written notice of any of the foregoing and (b) confirm the attachment of the Lien and security interest created by this Security Agreement to any rights described in clauses (i) and (ii) of the immediately preceding sentence of this SECTION 5.6 by execution of an instrument in form reasonably acceptable to the Agent.

SECTION 5.7. Modifications. Each Grantor authorizes the Agent to modify this Security Agreement by amending Schedules 12(a), 12(b) and 12(c) of the Perfection Certificate to include any Intellectual Property acquired or arising after the date hereof of such Grantor including, without limitation, any of the items listed in SECTION 5.6 hereof.

SECTION 5.8. Litigation. Unless there shall occur and be continuing any Event of Default, each Grantor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Grantors, such applications for protection of Intellectual Property and suits, proceedings or other actions to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value or other damage as may be necessary or desirable to protect the Intellectual Property. Upon the occurrence and during the continuance of any Event of Default, the Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property and/or bring suit in the name of any Grantor, the Agent or the other Credit Parties to enforce the Intellectual Property and any license thereunder. In the event of such suit, each Grantor shall, at the reasonable request of the Agent, do any and all lawful acts and execute any and all documents requested by the Agent in aid of such enforcement and the Grantors shall promptly reimburse and indemnify the Agent, as the case may be, for all costs and expenses incurred by the Agent in the exercise of its rights under this SECTION 5.8 in accordance with SECTION 9.3 hereof. In the event that the Agent shall elect not to bring suit to enforce the Intellectual Property, each Grantor agrees, solely during the occurrence and continuance of an Event of Default, at the request of the Agent, to take all commercially reasonable actions necessary, whether by suit, proceeding or other action, to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value of or other damage to any of the Intellectual Property by others and for that purpose agrees to diligently maintain any suit, proceeding or other action against any Person so infringing necessary to prevent such infringement.

SECTION 5.9. Third Party Consents. Each Grantor shall use commercially reasonable efforts to obtain the consent of third parties to the extent such consent is necessary to create a valid, perfected security interest in favour of the Agent in any Collateral constituting Intellectual Property.

ARTICLE VI

CERTAIN PROVISIONS CONCERNING CREDIT CARD RECEIVABLES, ACCOUNTS AND CONTRACTS

SECTION 6.1. Special Representations and Warranties. As of the time when any of its Credit Card Receivables is included in the Borrowing Base as an Eligible Credit Card Receivable, each Grantor shall be deemed to have represented and warranted that such Credit Card Receivable, and all records, papers and documents relating thereto (i) are genuine and correct and in all material respects what they purport to be, (ii) represent, to the best of such Grantor's knowledge after due investigation, the legal, valid and binding obligation of the account debtor, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, evidencing indebtedness unpaid and owed by such account debtor, arising out of the performance of labour or services or the sale, lease, license, assignment or other disposition and delivery of the goods or other property listed therein or out of an advance or a loan, (iii) are in all material respects in compliance and conform with all applicable federal, state and local Laws and applicable Laws of any relevant foreign jurisdiction, and (iv) arise out of (A) a bona fide sale of goods sold and delivered by such Grantor (or is in the process of being delivered) or (B) services theretofore actually rendered by such Grantor to, the account debtor named therein.

SECTION 6.2. Maintenance of Records. Each Grantor shall keep and maintain at its own cost and expense materially complete records of each Credit Card Receivable and each other Account, in a manner consistent with prudent business practice, including, without limitation, records of all payments received, all credits granted thereon, all merchandise returned and all other documentation relating thereto. Each Grantor shall, at such Grantor's sole cost and expense, upon the Agent's demand made at any time after the occurrence and during the continuance of any Event of Default, deliver all tangible evidence of all Credit Card Receivables and all other Accounts, including, without limitation, all documents evidencing such Credit Card Receivables and other Accounts and any books and records relating thereto to the Agent or to its representatives (copies of which evidence and books and records may be retained by such Grantor). Upon the occurrence and during the continuance of any Event of Default, the Agent may transfer a full and complete copy of any Grantor's books, records, credit information, reports, memoranda and all other writings relating to the Credit Card Receivables and other Accounts to and for the use by any Person that has acquired or is contemplating acquisition of an interest in the Credit Card Receivables and other Accounts or the Agent's security interest therein in accordance with applicable Law without the consent of any Grantor.

SECTION 6.3. Modification of Terms, Etc. No Grantor shall rescind or cancel any indebtedness evidenced by any Credit Card Receivable or other Account or modify any term thereof or make any adjustment with respect thereto except in the ordinary course of business consistent with prudent business practice, or extend or renew any such indebtedness except in the ordinary course of business consistent with prudent business practice or compromise or settle any dispute, claim, suit or legal proceeding relating thereto or sell any Credit Card Receivable, other Account or interest therein except (i) in the ordinary course of business consistent with

prudent business practice, (ii) in accordance with the Credit Agreement, or (iii) with the prior written consent of the Agent.

SECTION 6.4. No Obligation of Credit Parties. No Credit Party shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Security Agreement or the receipt by the Agent or any other Credit Party of any payment relating to such Account pursuant hereto, nor shall any Credit Party be obligated in any manner to perform any of the obligations of a Grantor under or pursuant to any Account (or any agreement giving rise thereto) or any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto) or any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times. It is expressly agreed by each Grantor that, anything herein to the contrary notwithstanding, such Grantor shall remain liable under each of its Contracts to observe and perform all the conditions and obligations to be observed and performed by it thereunder.

SECTION 6.5. Collection. Each Grantor shall cause to be collected from the account debtor of each of the Accounts, as and when due in the ordinary course of business consistent with prudent business practice (including, without limitation, Accounts that are delinquent, such Accounts to be collected in accordance with generally accepted commercial collection procedures), any and all amounts owing under or on account of such Account, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account. The reasonable and documented costs and expenses (including, without limitation, attorneys' fees) of collection, in any case, whether incurred by any Grantor, the Agent or any other Credit Party, shall be paid by the Grantors. Upon the occurrence and during the continuance of any Event of Default, the Agent may notify any account debtor and other Persons obligated on the Collateral that the Agent has a Lien therein, and that payments shall be made directly to the Agent for the benefit of the Credit Parties. Upon the request of the Agent in such circumstances, the applicable Grantor shall so notify such account debtors and other Persons obligated on the Collateral. Once any such notice has been given to any account debtor or other Person obligated on the Collateral, no Grantor shall give any contrary instructions to such account debtor or other Person without the Agent's prior written consent.

SECTION 6.6. Verification of Accounts. The Agent may, upon the occurrence and during the continuance of an Event of Default, in the Agent's own name, the name of a nominee of Agent or in the name of a Grantor, communicate (by mail, telephone, facsimile or otherwise) with account debtors, parties to Contracts, obligors in respect of Instruments and obligors in respect of Chattel Paper to verify with such Persons, to the Agent's reasonable satisfaction, the existence, amount, terms of and any other matter relating to any such Accounts, Contracts, Instruments or Chattel Paper. If an Event of Default shall have occurred and be continuing, the Grantors, at their own expense, shall cause the independent chartered accountants then engaged by the Grantors to prepare and deliver to the Agent at any time and from time to time promptly upon the Agent's request the following reports with respect to the Grantors: (i) a reconciliation of all Accounts; (ii) an aging of all Accounts; (iii) trial balances; and (iv) a test verification of such Accounts as the Agent may reasonably request.

ARTICLE VII
CERTAIN PROVISIONS CONCERNING SECURITIES COLLATERAL

SECTION 7.1. Pledge of Additional Securities Collateral. Each Grantor shall, upon obtaining any Pledged Securities or Intercompany Notes with a face amount in excess of \$2,000,000 of any Person required to be pledged hereunder, accept the same in trust for the benefit of the Agent and forthwith deliver to the Agent a pledge amendment, duly executed by such Grantor, in substantially the form of Exhibit 1 annexed hereto (each, a “Pledge Amendment”), and the certificates and other documents required under SECTION 3.1 and SECTION 3.2 hereof in respect of such additional Pledged Securities or Intercompany Notes which are to be pledged pursuant to this Security Agreement, and confirming the attachment of the Lien hereby created on and in respect of such additional Pledged Securities or Intercompany Notes no later than ten (10) Business Days after obtaining such Pledged Securities or Intercompany Notes. Each Grantor hereby authorizes the Agent to attach each Pledge Amendment to this Security Agreement and agrees that all Pledged Securities or Intercompany Notes listed on any Pledge Amendment delivered to the Agent shall for all purposes hereunder be considered Collateral.

SECTION 7.2. Voting Rights; Distributions; etc.(i) So long as no Event of Default shall have occurred and be continuing, each Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes hereof, the Credit Agreement or any other Loan Document evidencing the Secured Obligations. The Agent shall be deemed without further action or formality to have granted to each Grantor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Grantor and at the sole cost and expense of the Grantors, from time to time execute and deliver (or cause to be executed and delivered) to such Grantor all such proxies, powers of attorney and other instruments as such Grantor may reasonably request in order to permit such Grantor to exercise the voting and other rights which it is entitled to exercise pursuant to this SECTION 7.2(i).

(ii) Upon the occurrence and during the continuance of any Event of Default, and after one (1) Business Days written notice from the Agent following such Event of Default, all rights of each Grantor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to SECTION 7.2(i) hereof, without any further action, other than, in the case of Securities Collateral, or the giving of any additional notice, shall immediately cease, and all such rights shall thereupon become vested in the Agent, which shall thereupon have the sole right to exercise such voting and other consensual rights; provided that the Agent shall have the right, in its sole discretion, from time to time following the occurrence and continuance of an Event of Default to permit such Grantor to exercise such rights under SECTION 7.2(i). After such Event of Default is no longer continuing, all rights vested in the Agent pursuant to this SECTION 7.2(ii) shall cease and each Grantor shall have the right to exercise the voting, managerial and other consensual rights and powers that it would otherwise be entitled to pursuant to SECTION 7.2(i) hereof.

(iii) So long as no Cash Dominion Event shall have occurred and be continuing, each Grantor shall be entitled to receive and retain, and to utilize free and clear of the Lien hereof, any and all Distributions, but only if and to the extent made in accordance with, and

to the extent permitted by, the provisions of the Credit Agreement; provided, however, that any and all such Distributions consisting of rights or interests in the form of securities that would constitute Securities Collateral shall be forthwith delivered to the Agent to hold as Collateral and shall, if received by any Grantor, be received in trust for the benefit of the Agent, be segregated from the other property or funds of such Grantor and be forthwith delivered to the Agent as Collateral in the same form as so received (with any necessary endorsement). The Agent shall, if necessary, upon written request of any Grantor and at the sole cost and expense of the Grantors, from time to time execute and deliver (or cause to be executed and delivered) to such Grantor all such instruments as such Grantor may reasonably request in order to permit such Grantor to receive the Distributions which it is authorized to receive and retain pursuant to this SECTION 7.2(iii).

(iv) Upon the occurrence and during the continuance of any Cash Dominion Event, all rights of each Grantor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to SECTION 7.2(iii) hereof shall cease and all such rights shall thereupon become vested in the Agent, which shall thereupon have the sole right to receive and hold as Collateral such Distributions. After such Cash Dominion Event is no longer continuing, each Grantor shall have the right to receive the Distributions which it would be authorized to receive and retain pursuant to SECTION 7.2(iii).

(v) Each Grantor shall, at its sole cost and expense, from time to time execute and deliver to the Agent appropriate instruments as the Agent may reasonably request in order to permit the Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to SECTION 7.2(ii) hereof and to receive all Distributions which it may be entitled to receive under SECTION 7.2(iii) hereof.

(vi) All Distributions which are received by any Grantor contrary to the provisions of SECTION 7.2(iii) hereof shall be received in trust for the benefit of the Agent, shall be segregated from other funds of such Grantor and shall immediately be paid over to the Agent as Collateral in the same form as so received (with any necessary endorsement).

SECTION 7.3. Organization Documents. Each Grantor has delivered to the Agent true, correct and complete copies of its Organization Documents. The Organization Documents are in full force and effect. No Grantor will terminate or agree to terminate any Organization Documents or make any amendment or modification to any Organization Documents in each case unless expressly permitted by the Credit Agreement. No Grantor will make any amendment or modification to any Organization Documents to elect to treat any Pledged Interests of such Grantor as a security under the STA unless such Grantor delivers the Pledged Interests pursuant to Section 7.1 of this Security Agreement.

SECTION 7.4. Defaults, Etc. To the knowledge of each Grantor, such Grantor (i) is not in default in any material respect in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which such Grantor is a party relating to the Pledged Securities pledged by it, and (ii) except for restrictions and limitations not prohibited by the Loan Documents or securities laws generally, is not in violation in any material respect of any other provisions of any such agreement to which such Grantor is a party, or otherwise in default or violation thereunder in any material respect. To the knowledge

of each Grantor, (i) no Securities Collateral pledged by such Grantor is subject in any material respect to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Grantor by any Person with respect thereto, and (ii) as of the date hereof, there are no certificates, instruments, documents or other writings (other than the Organization Documents and certificates, if any, delivered to the Agent) which evidence any Pledged Securities of such Grantor.

SECTION 7.5. Certain Agreements of Grantors As Issuers and Holders of Equity Interests. In the case of each Grantor which is an issuer of Securities Collateral, such Grantor agrees to be bound by the terms of this Security Agreement relating to the Securities Collateral issued by it and will comply with such terms insofar as such terms are applicable to it.

In the case of each Grantor which is a partner in a partnership, limited liability company or other entity, such Grantor hereby consents to the extent required by the applicable Organization Documents to the pledge by each other Grantor, pursuant to the terms hereof, of the Pledged Interests in such partnership, limited liability company or other entity and, upon the occurrence and during the continuance of an Event of Default, to the transfer of such Pledged Interests to the Agent or its nominee and to the substitution of the Agent or its nominee as a substituted partner or member in such partnership, limited liability company or other entity with all the rights, powers and duties of a general partner or a limited partner or member, as the case may be, in each case, in accordance with the terms hereof.

SECTION 7.6. ULC Limitation. Notwithstanding any provisions to the contrary contained in this Security Agreement or any other Loan Document, as regards each applicable Grantor who is a registered and beneficial owner of Pledged ULC Shares, such Grantor owns, and will remain the owner of, such Pledged ULC Shares until such time as such Pledged ULC Shares are fully and effectively transferred into the name of the Agent or any other person on the books and records of such ULC. Nothing in this Security Agreement or any other Loan Document is intended to or shall constitute the Agent or any person other than a Grantor to be a member or shareholder of any ULC until such time as written notice is given to the applicable Grantor and all further steps are taken so as to register the Agent or other person as holder of the Pledged ULC Shares. The granting of the pledge and security interest pursuant to this Security Agreement or any other Loan Document does not make the Agent a successor to any Grantor as a member or shareholder of any ULC, and neither the Agent nor any of its respective successors or assigns hereunder shall be deemed to become a member or shareholder of any ULC by accepting this Security Agreement or any other Loan Document or exercising any right granted herein unless and until such time, if any, when the Agent or any successor or assign expressly becomes a registered member or shareholder of any ULC. Each applicable Grantor shall be entitled to receive and retain for its own account any dividends or other distributions if any, in respect of the Pledged ULC Shares, and shall have the right to vote such Pledged ULC Shares and to control the direction, management and policies of the ULC issuing such Pledged ULC Shares to the same extent as such Grantor would if such Pledged ULC Shares were not pledged to the Agent or to any other person pursuant hereto. To the extent any provision herein or in any other Loan Document would have the effect of constituting the Agent to be a member or shareholder of any ULC prior to such time, such provision shall be severed herefrom and therefrom and ineffective with respect to the relevant Pledged ULC Shares without otherwise invalidating or rendering unenforceable this Security Agreement or any other Loan

Document or invalidating or rendering unenforceable such provision insofar as it relates to Collateral other than Pledged ULC Shares. Notwithstanding anything herein or in any other Loan Document to the contrary (except to the extent, if any, that the Agent or any of its successors or assigns hereafter expressly becomes a registered member or shareholder of any ULC), neither the Agent nor any of its respective successors or assigns shall be deemed to have assumed or otherwise become liable for any debts or obligations of any ULC. Except upon the exercise by the Agent or other persons of rights to sell or otherwise dispose of Pledged ULC Shares or other remedies following the occurrence and during the continuance of an Event of Default, each applicable Grantor shall not cause or permit, or enable any ULC in which it holds Pledged ULC Shares to cause or permit, the Agent to: (a) be registered as member or shareholder of such ULC; (b) have any notation entered in its favour in the share register of such ULC; (c) be held out as member or shareholder of such ULC; (d) receive, directly or indirectly, any dividends, property or other distributions from such ULC by reason of the Agent or other person holding a security interest in the Pledged ULC Shares; or (e) act as a member or shareholder of such ULC, or exercise any rights of a member or shareholder of such ULC, including the right to attend a meeting of such ULC or vote the shares of such ULC.

ARTICLE VIII

REMEDIES

SECTION 8.1. Remedies. Upon the occurrence and during the continuance of any Event of Default the Agent may, and at the direction of the Required Lenders, shall, from time to time in respect of the Collateral, in addition to the other rights and remedies provided for herein, under the other Loan Documents, under applicable Law (including levy of attachment and garnishment) or otherwise available to it:

(i) Personally, or by agents or attorneys, immediately take possession of the Collateral or any part thereof, from any Grantor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon any Grantor's premises where any of the Collateral is located, remove such Collateral, remain present at such premises to receive copies of all communications and remittances relating to the Collateral and use in connection with such removal and possession any and all services, supplies, aids and other facilities of any Grantor;

(ii) Demand, sue for, collect or receive any money or property at any time payable or receivable in respect of the Collateral including, without limitation, instructing the obligor or obligors on any agreement, instrument or other obligation constituting part of the Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Agent, and in connection with any of the foregoing, compromise, settle, extend the time for payment and make other modifications with respect thereto (it being understood and agreed by the Grantors that no Credit Party shall have any liability or responsibility to any Grantor for acceptance of a cheque, draft or other order for payment of money bearing the legend "payment in full" or words of similar import or any other restrictive legend or endorsement or be responsible for determining the correctness of any remittance); provided, however, that in the event that any payments described in this clause (ii) are made

directly to any Grantor, prior to receipt by any such obligor of such instruction, such Grantor shall segregate all amounts received pursuant thereto in trust for the benefit of the Agent and shall promptly pay such amounts to the Agent;

(iii) Sell, assign, grant a license to use or otherwise liquidate, or direct any Grantor to sell, assign, grant a license to use or otherwise liquidate, any and all investments made in whole or in part with the Collateral or any part thereof, and take possession of the proceeds of any such sale, assignment, license or liquidation;

(iv) Take possession of the Collateral or any part thereof, by directing any Grantor in writing to deliver the same to the Agent at any place or places so designated by the Agent, in which event such Grantor shall at its own expense: (A) forthwith cause the same to be moved to the place or places designated by the Agent and therewith delivered to the Agent, (B) store and keep any Collateral so delivered to the Agent at such place or places pending further action by the Agent and (C) while the Collateral shall be so stored and kept, provide such security and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition. Each Grantor's obligation to deliver the Collateral as contemplated in this SECTION 8.1 is of the essence hereof. Upon application to a court of equity having jurisdiction, the Agent shall be entitled to a decree requiring specific performance by any Grantor of such obligation;

(v) Withdraw all moneys, instruments, securities and other property in any bank, financial securities, deposit or other account of any Grantor constituting Collateral for application to the Secured Obligations as provided in Article VIII hereof;

(vi) Retain and apply the Distributions to the Secured Obligations as provided in Article VIII hereof;

(vii) Exercise any and all rights as beneficial and legal owner of the Collateral, including, without limitation, perfecting assignment of and exercising any and all voting, consensual and other rights and powers with respect to any Collateral;

(viii) Appoint or reappoint by instrument in writing, any Person or Persons, whether an officer or officers or an employee or employees of the Agent or not, to be an interim receiver, receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her/its stead. Any such Receiver shall, so far as concerns responsibility for his/her/its acts, be deemed the agent of the applicable Grantor and not of the Agent or any other Credit Party, and neither the Agent nor any other Credit Party shall be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver or his/her/its servants, agents or employees. Subject to the provisions of the instrument appointing him/her/it, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Grantor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. Except as may be otherwise directed by the Agent, all Proceeds received from time to time by such Receiver in carrying out his/her/its appointment shall be received in trust for and be paid over to

the Agent. Every such Receiver may, in the discretion of the Agent, be vested with all or any of the rights and powers of the Agent. The identity of the Receiver, its replacement and its remuneration shall be within the sole discretion of the Agent. Where the term "Agent" is referred to in this SECTION 8.1, SECTION 9.1(ii) or SECTION 9.2, such reference includes, where the context permits, any Receiver so appointed and the officers, employees, servants or agents of such Receiver; and

(ix) Exercise all the rights and remedies of a secured party under the PPSA and other applicable Law, and the Agent may also in its sole discretion, without notice except as specified in SECTION 8.2 hereof, sell, assign or grant a license to use the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Agent's offices or elsewhere, as part of one or more going out of business sales in the Agent's own right or by one or more agents and contractors, all as the Agent, in its sole discretion, may deem advisable, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Agent may deem advisable. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Agent shall have the right to conduct such sales on any Grantor's premises and shall have the right to use any Grantor's premises without charge for such sales for such time or times as the Agent may see fit. The Agent and any agent or contractor, in conjunction with any such sale, may augment the Inventory with other goods (all of which other goods shall remain the sole property of the Agent or such agent or contractor). Any amounts realized from the sale of such goods which constitute augmentations to the Inventory (net of an allocable share of the costs and expenses incurred in their disposition) shall be the sole property of the Agent or such agent or contractor and neither any Grantor nor any Person claiming under or in right of any Grantor shall have any interest therein. The Agent or any other Credit Party or any of their respective Affiliates may be the purchaser, licensee, assignee or recipient of any or all of the Collateral at any such sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations owed to such Person as a credit on account of the purchase price of any Collateral payable by such Person at such sale. Each purchaser, assignee, licensee or recipient at any such sale shall acquire the property sold, assigned or licensed absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives, to the fullest extent permitted by Law, all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. To the fullest extent permitted by Law, each Grantor hereby waives any claims against the Agent and the other Credit Parties arising by reason of the fact that the price at which any Collateral may have been sold, assigned or licensed at such a private sale was less than the price which might have been obtained at a public sale, even if the Agent accepts the first offer received and does not offer such Collateral to more than one offeree.

SECTION 8.2. Notice of Sale. Each Grantor acknowledges and agrees that, to the extent notice of sale or other disposition of Collateral shall be required by applicable Law and unless the Collateral is perishable or threatens to decline speedily in value, or is of a type customarily sold on a recognized market (in which event the Agent shall provide such Grantor

such advance notice as may be practicable under the circumstances), ten (10) days' prior notice to such Grantor of the time and place of any public sale or of the time after which any private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. No notification need be given to any Grantor if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying (as permitted under Law) any right to notification of sale or other intended disposition.

SECTION 8.3. Waiver of Notice and Claims. Each Grantor hereby waives, to the fullest extent permitted by applicable Law, notice or judicial hearing in connection with the Agent's taking possession or the Agent's disposition of any of the Collateral, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Grantor would otherwise have under law, and each Grantor hereby further waives, to the fullest extent permitted by applicable Law: (i) all damages occasioned by such taking of possession, (ii) except as otherwise provided herein, all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Agent's rights hereunder and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable Law. The Agent shall not be liable for any incorrect or improper payment made pursuant to this Article VIII in the absence of gross negligence or willful misconduct. Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral in accordance with this Security Agreement shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Grantor therein and thereto, and shall be a perpetual bar both at law and in equity against such Grantor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Grantor. In addition, to the fullest extent permitted by applicable Law, each Grantor waives (i) all claims, damages and demands against the Agent or any other Credit Party or any Receiver appointed by the Agent arising out of the repossession, retention or sale of the Collateral except such as arise solely out of the negligence or wilful misconduct of the Agent or any other Credit Party or any Receiver appointed by the Agent as finally determined by a court of competent jurisdiction, (ii) protest of any Instrument constituting Collateral at any time held by the Agent on which such Grantor is in any way liable and, subject to SECTION 8.2, notice of any other action taken by the Agent, each to the extent permitted by applicable Law, (iii) any and all rights of contribution or subrogation upon the sale or disposition of all or any portion of the Pledged Securities by Agent until the indefeasible Payment in Full of the Secured Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted by the Person entitled thereto) and the termination of the Commitments. Notwithstanding the foregoing or anything to the contrary contained in this Security Agreement, no Grantor may exercise any rights of subrogation, contribution, indemnity, reimbursement or other similar rights against, and may not proceed or seek recourse against or with respect to any property or asset of, any issuer of the Pledged Interests (the "Foreclosed Issuer"), including after Payment in Full of the Secured Obligations and the occurrence of the Termination Date, if all or any portion of the Secured Obligations have been satisfied in connection with an exercise of remedies in respect of the Equity Interests of such Foreclosed Issuer whether pursuant to this Security Agreement or otherwise.

SECTION 8.4. Certain Sales of Collateral.

(i) Each Grantor recognizes that, by reason of certain prohibitions contained in law, rules, regulations or orders of any Governmental Authority (including, without limitation, any applicable provincial securities Laws), the Agent may be compelled, with respect to any sale of all or any part of the Collateral, to limit purchasers to those who meet the requirements of such Governmental Authority. Each Grantor acknowledges that any such sales may be at prices and on terms less favourable to the Agent than those obtainable through a public sale without such restrictions (including, without limitation, a public offering made pursuant to a registration statement or prospectus under applicable provincial securities Law), and, notwithstanding such circumstances, agrees that any such restricted sale shall be deemed to have been made in a commercially reasonable manner and that, except as may be required by applicable Law, the Agent shall have no obligation to engage in public sales for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under applicable provincial securities Laws, even if such issuer would agree to do so.

(ii) Each Grantor recognizes that, by reason of certain prohibitions contained in applicable securities Laws, the Agent may be compelled, with respect to any sale of all or any part of the Securities Collateral and Investment Property, to limit purchasers to Persons who will agree, among other things, to acquire such Securities Collateral or Investment Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges that any such private sales may be at prices and on terms less favourable to the Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Securities Collateral or Investment Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under applicable securities Laws, even if such issuer would agree to do so.

(iii) If the Agent determines to exercise its right to sell any or all of the Securities Collateral or Investment Property, upon written request, the applicable Grantor shall from time to time furnish to the Agent all such information as the Agent may reasonably request in order to determine the number of securities included in the Securities Collateral or Investment Property which may be sold by the Agent as exempt transactions under applicable securities laws and the rules and regulations of applicable securities commissions, as the same are from time to time in effect.

(iv) Each Grantor further agrees that a breach of any of the covenants contained in this SECTION 8.4 will cause irreparable injury to the Agent and the other Credit Parties, that the Agent and the other Credit Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this SECTION 8.4 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing.

SECTION 8.5. No Waiver; Cumulative Remedies

(i) No failure on the part of the Agent to exercise, no course of dealing with respect to, and no delay on the part of the Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy; nor shall the Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. The remedies herein provided are cumulative and are not exclusive of any other right or remedy that the Agent may have (whether by law or otherwise).

(ii) In the event that the Agent shall have instituted any proceeding to enforce any right, power or remedy under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Agent, then and in every such case, the Grantors, the Agent and each other Credit Party shall be restored to their respective former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Agent and the other Credit Parties shall continue as if no such proceeding had been instituted.

SECTION 8.6. Certain Additional Actions Regarding Intellectual Property. If any Event of Default shall have occurred and be continuing, upon the written demand of Agent, each Grantor shall execute and deliver to Agent an assignment or assignments of the registered Patents, Trademarks and/or Copyrights and such other documents as are necessary or appropriate to carry out the intent and purposes hereof to the extent such assignment does not result in any loss of rights therein under applicable Law. Within five (5) Business Days of written notice thereafter from Agent, each Grantor shall make available to Agent, to the extent within such Grantor's power and authority, such personnel in such Grantor's employ on the date of the Event of Default as Agent may reasonably designate to permit such Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold by such Grantor under the registered Patents, Trademarks, Designs and/or Copyrights, and such Persons shall be available to perform their prior functions on Agent's behalf.

SECTION 8.7. Application of Proceeds. All Liens granted or contemplated hereby shall be for the benefit of the Agent and the other Credit Parties, and the proceeds received by the Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral pursuant to the exercise by the Agent of its remedies shall be applied, together with any other sums then held by the Agent pursuant to this Security Agreement, in accordance with and as set forth in Section 8.03 of the Credit Agreement. In the event that the proceeds of any sale of, collection from or other realization upon all or any part of the Collateral are insufficient to pay all amounts to which the Agent and the other Credit Parties are legally entitled, the Grantors shall be jointly and severally liable for the deficiency, together with interest thereon at the Default Rate. Any surplus remaining after the full payment and satisfaction of the Secured Obligations shall be returned to the Grantors or to whomsoever a court of competent jurisdiction shall determine to be entitled thereto.

SECTION 8.8. Grant of License. For the purpose of enabling the Agent, during the continuance of an Event of Default, to exercise rights and remedies under this Article VIII at

such time as Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Agent, for the benefit of the Credit Parties, an irrevocable, non-exclusive license (exercisable without payment of royalty, rent or other compensation to any Grantor) to use, license or sublicense, upon the occurrence and during the continuance of any Event of Default, any and all assets of such Grantor (including, without limitation, all Equipment and Intellectual Property) now owned or hereafter acquired by such Grantor, and to occupy any Real Estate owned or leased by such Grantor, in each case wherever the same may be located and whether or not constituting Collateral, subject to such Grantor's right, title and interest in and to such assets, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. No Grantor shall grant a license or a Lien with respect to the Intellectual Property in favour of any Person unless, in a writing in form and substance reasonably satisfactory to the Agent and duly executed by such Person, such Person acknowledges the Agent's rights set forth in this SECTION 8.8 and agrees that such Person's rights are subject thereto.

SECTION 8.9. No Obligations under PPSA The Agent shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, neither the Agent nor any other Credit Party shall (i) have any obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or not, and whether or not in the Agent's or any other Credit Party's possession, or (ii) be liable or accountable for failure to do so.

SECTION 8.10. Certain Acknowledgments To the extent that applicable Law imposes duties on the Agent to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is not commercially unreasonable for the Agent upon the occurrence of any Event of Default that is continuing: (i) to fail to incur expenses reasonably deemed significant by the Agent to prepare the Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (ii) to exercise collection remedies against account debtors and other Persons obligated on the Collateral directly or through the use of collection agencies and other collection specialists, (iii) to advertise dispositions of the Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (iv) to contact other Persons, whether or not in the same business of Grantor, for expressions of interest in acquiring all or any portion of such Collateral, (v) to hire one or more professional auctioneers to assist in the disposition of the Collateral, whether or not the Collateral is of a specialized nature, (vi) to dispose of the Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (vii) to dispose of assets in wholesale rather than retail markets, (viii) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (ix) to purchase insurance or credit enhancements to insure the Credit Parties against risks of loss, collection or disposition of the Collateral or to provide to the Credit Parties a guaranteed return from the collection or disposition of the Collateral, or (x) to the extent deemed appropriate by the Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Agent in the collection or disposition of any of the Collateral. Each Grantor acknowledges that the purpose of this SECTION 8.10 is to provide non-exhaustive

indications of what actions or omissions by the Agent would not be commercially unreasonable in the Agent's exercise of remedies against the Collateral and that other actions or omissions by the Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this SECTION 8.10. Without limitation upon the foregoing, nothing contained in this SECTION 8.10 shall be construed to grant any rights to any Grantor or to impose any duties on the Agent that would not have been granted or imposed by this Security Agreement or by applicable Law in the absence of this SECTION 8.10.

The Agent acknowledges that the standard of quality for the use, assignment or sublicensing of Intellectual Property of the Grantors shall be no less than the standard of quality employed by the Grantors as of the day before the exercise of rights under Article VII by the Agent in conjunction with wares and/or services sold in association with such Intellectual Property.

SECTION 8.11. Additional Rights and Remedies Regarding Securities Collateral Upon the occurrence and during the continuance of an Event of Default, each Grantor hereby authorizes and instructs each issuer with respect to any Pledged Securities to comply with any instruction received by it from the Agent in writing that (A) states that an Event of Default has occurred and is continuing and (B) is otherwise in accordance with the terms of this Security Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each issuer shall be fully protected in so complying following an Event of Default and prior to notice that such Event of Default is no longer continuing. Without limiting the rights of the Agent set forth elsewhere in this Security Agreement or the other Loan Documents, each Grantor hereby irrevocably grants, constitutes and appoints the Agent as its proxy and attorney-in-fact for such Grantor with respect to the Pledged Securities with the right, upon the occurrence and during the continuance of an Event of Default, with full power of substitution, to take any or all of the following actions: (i) vote all or any part of the Pledged Securities, (ii) transfer, record or register on the books, records, stock ledger or otherwise of the relevant issuer in its name or in the name of its nominee the whole or any part of the Pledged Securities, and ensure that the books, records, stock ledger or otherwise expressly empower the Agent to vote the Pledged Securities, (iii) receive and collect any dividend or other payment or distribution in respect of, or in exchange for, the Pledged Securities or any portion thereof, to give full discharge for the same and to indorse any instrument made payable to such Grantor for same, (iv) exercise all other rights, powers, privileges, and remedies (including, without limitation, all economic rights, all control rights, authority and powers, and all status rights of such Grantor as a member, shareholder, partner or other owner of the Pledged Securities) to which a holder of the Pledged Securities would be entitled (including, with respect to the Pledged Securities, giving or withholding written consents of members, calling special meetings of members, and voting at such meetings), and (v) take any action and execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Security Agreement. The appointment of the Agent as proxy and attorney-in-fact granted hereby shall be (1) effective automatically upon the occurrence and during the continuance of an Event of Default without the necessity that any action (including, without limitation, that any transfer or registration of any of the Pledged Securities be recorded on the books, records or stock ledger of the relevant issuer or that any of the Pledged Securities be registered in the name of the Agent or otherwise), (2) coupled with an interest and (3) valid and IRREVOCABLE until the indefeasible Payment in Full of the Secured Obligations. Such appointment of the Agent as proxy and attorney-in-fact shall be valid and

irrevocable as provided herein notwithstanding any limitations to the contrary set forth in the articles of organization, limited liability company agreements, partnership agreement or other Organization Documents of any Grantor or the issuer of any Pledged Securities. In order to further effect the foregoing grant of rights in favor of the Agent, Agent shall have the right, upon the occurrence and during the continuance of an Event of Default, to present to any issuer of Pledged Securities an irrevocable proxy, registration page, and/or stock ledger.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1. Concerning the Agent.

(i) The Agent has been appointed as administrative agent and collateral agent pursuant to the Credit Agreement. The actions of the Agent hereunder are subject to the provisions of the Credit Agreement. The Agent shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including, without limitation, the release or substitution of the Collateral), in accordance with this Security Agreement and the Credit Agreement. The Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact. The Agent may resign and a successor Agent may be appointed in the manner provided in the Credit Agreement. Upon the acceptance of any appointment as the Agent by a successor Agent, that successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent under this Security Agreement, and the retiring Agent shall thereupon be discharged from its duties and obligations under this Security Agreement. After any retiring Agent's resignation, the provisions hereof shall enure to its benefit as to any actions taken or omitted to be taken by it under this Security Agreement while it was the Agent.

(ii) The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equivalent to that which the Agent, in its individual capacity, accords its own property consisting of similar instruments or interests, it being understood that neither the Agent nor any of the other Credit Parties shall have responsibility for, without limitation (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Collateral, whether or not the Agent or any other Credit Party has or is deemed to have knowledge of such matters or (ii) taking any necessary steps to preserve rights against any Person with respect to any Collateral. In the event of a public or private sale of Collateral pursuant to the terms hereof, the Agent shall have no obligation to clean, repair or otherwise prepare the Collateral for sale.

(iii) The Agent shall be entitled to rely upon any written notice, statement, certificate, order or other document or any telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper Person, and, with respect to all

matters pertaining to this Security Agreement and its duties hereunder, upon advice of counsel selected by it.

(iv) If any item of Collateral also constitutes collateral granted to Agent under any other deed of trust, mortgage, security agreement, pledge or instrument of any type as to which no Person is a party other than a Credit Party or a Loan Party, in the event of any conflict between the provisions hereof and the provisions of such other deed of trust, mortgage, security agreement, pledge or instrument of any type in respect of such collateral, the provisions of this Security Agreement shall control.

SECTION 9.2. Agent May Perform; Agent Appointed Attorney-in-Fact. If an Event of Default shall have occurred and be continuing, the Agent may (but shall not be obligated to) (x) perform or cause to be performed any covenant contained in this Security Agreement or in any other Loan Document, (y) remedy any breach on the part of any Grantor of any representation or warranty, and (z) without limiting the Agent's other rights and remedies, receive, open and dispose of mail addressed to a Grantor and endorse cheques, notes, drafts, acceptances, money orders, bills of lading, warehouse receipts or other instruments or documents evidencing payment, shipment or storage of the goods giving rise to the Collateral on behalf of and in the name of such Grantor, or securing, or relating to such Collateral. The Agent may expend funds for any of the foregoing purposes. Notwithstanding anything to the contrary, the Agent shall in no event be bound to inquire into the validity of any tax, lien, imposition or other obligation which such Grantor fails to pay or perform as and when required hereby. Any and all amounts so expended by the Agent shall constitute additional Secured Obligations, shall bear interest from the date such amounts are expended at the Default Rate, and shall be paid by the Grantors in accordance with the provisions of SECTION 9.3 hereof. Neither the provisions of this SECTION 9.2 nor any action taken by Agent pursuant to the provisions of this SECTION 9.2 shall prevent any such failure to observe any covenant contained in this Security Agreement nor any breach of warranty from constituting an Event of Default. Each Grantor hereby appoints the Agent its attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor, or otherwise, from time to time after the occurrence and during the continuation of an Event of Default in the Agent's discretion to take any action and to execute any instrument consistent with the terms of the Credit Agreement and the other Security Documents which the Agent may deem necessary to accomplish the purposes hereof. The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. Each Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

SECTION 9.3. Expenses. Each Grantor will upon demand pay to the Agent the amount of any and all amounts required to be paid pursuant to Section 10.04 of the Credit Agreement.

SECTION 9.4. Continuing Security Interest; Assignment. This Security Agreement shall create a continuing security interest in the Collateral and shall (i) be binding upon the Grantors, their respective successors and assigns (it being understood and agreed that no Grantor may assign or otherwise transfer any of its rights or obligations hereunder except to the extent permitted under the Credit Agreement), and (ii) enure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent and the other Credit Parties and

each of their respective successors, transferees and assigns. No other Persons (including, without limitation, any other creditor of any Grantor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (ii), any Credit Party may assign or otherwise transfer any indebtedness held by it secured by this Security Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Credit Party, herein or otherwise, subject, however, to the provisions of the Credit Agreement.

SECTION 9.5. Termination; Release.

(a) This Security Agreement, the Lien in favour of the Agent (for the benefit of itself and the other Credit Parties) and all other security interests granted hereby shall terminate with respect to all Secured Obligations (other than contingent indemnification obligations for which claims have not been asserted) when (i) all of the Secured Obligations (including all Unreimbursed Amounts and any termination amount then applicable (or which would or could become applicable as a result of the repayment of the other Secured Obligations) under Swap Contracts) have been repaid in Dollars in full in cash or immediately available funds (or, in the case of contingent reimbursement obligations with respect to Letters of Credit (as defined in the Credit Agreement) and Bank Products (other than Swap Contracts), Cash Collateralization therefor has been provided), other than (x) unasserted contingent indemnification Secured Obligations, (y) any Secured Obligations relating to Bank Products (including Swap Contracts) that, at such time, are allowed by the applicable Bank Product provider to remain outstanding without being required to be repaid or Cash Collateralized, and (z) any Secured Obligations relating to Cash Management Services that, at such time, are allowed by the applicable provider of such Cash Management Services to remain outstanding without being required to be repaid, (ii) the Aggregate Commitments and the L/C Issuer's obligation to issue Letters of Credit under the Credit Agreement have each been terminated, and (iii) the Loan Documents have been terminated (other than terms thereof which expressly survive termination); provided, however, that (A) this Security Agreement, the Lien in favour of the Agent (for the benefit of itself and the other secured parties) and all other security interests granted hereby shall be reinstated if at any time payment, or any part thereof, of any Secured Obligation is rescinded or must otherwise be restored or returned by any secured party or any Grantor as a preference, fraudulent conveyance or otherwise under any Debtor Relief Law, all as though such payment had not been made (it being understood and agreed that in the event payment of all or any part of the Secured Obligations is rescinded or must be restored or returned, all reasonable costs and expenses incurred by the Agent or any other Credit Party in defending and enforcing such reinstatement shall be deemed to be included as a part of the Secured Obligations); and (B) in connection with the termination of this Security Agreement, the Agent may require such indemnities and collateral security as it shall reasonably deem necessary or appropriate, in light of the circumstances existing at the time of such termination, to protect the Credit Parties against (x) loss on account of credits previously applied to the Secured Obligations that may subsequently be reversed or revoked, (y) any obligations that may thereafter arise with respect to the Other Liabilities, and (z) any Secured Obligations that may thereafter arise under Section 10.04 of the Credit Agreement.

(b) The Collateral shall be released from the Lien of this Security Agreement in accordance with the provisions of the Credit Agreement. Upon termination hereof or any release of Collateral in accordance with the provisions of the Credit Agreement, the Agent shall, upon the request and at the sole cost and expense of the Grantors, assign, transfer and deliver to the Grantors, against receipt and without recourse to or warranty by the Agent, such of the Collateral to be released (in the case of a release) or all of the Collateral (in the case of termination of this Security Agreement) as may be in possession of the Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof, and, with respect to any other Collateral, proper documents and instruments (including PPSA termination statements or releases and terminations of Account Control Agreements, Collateral Access Agreements, Customs Broker/Carrier Agreements and intellectual property security agreements) acknowledging the termination hereof or the release of such Collateral, as the case may be; provided, however, that the Agent shall not be required to execute any such document on terms which, in its reasonable opinion, would, under applicable Law, expose the Agent or the other Credit Parties to liability or create any obligation or entail any adverse consequence other than the termination hereof or the release of such Collateral, as the case may be, in each case without recourse or warranty.

(c) At any time that the respective Grantor desires that the Agent take any action described in clause (b) of this SECTION 9.5, such Grantor shall, upon request of the Agent, deliver to the Agent an officer's certificate certifying that the release of the respective Collateral is permitted pursuant to clause (a) or (b) of this SECTION 9.5. The Agent shall have no liability whatsoever to any other Credit Party as the result of any release of Collateral by it as permitted (or which the Agent in good faith believes to be permitted) by this SECTION 9.5.

SECTION 9.6. Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision hereof, nor consent to any departure by any Grantor therefrom, shall be effective unless the same shall be made in accordance with the terms of the Credit Agreement and unless in writing and signed by the Agent and the Grantors. Any amendment, modification or supplement of or to any provision hereof, any waiver of any provision hereof and any consent to any departure by any Grantor from the terms of any provision hereof shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Security Agreement or any other document evidencing the Secured Obligations, no notice to or demand on any Grantor in any case shall entitle any Grantor to any other or further notice or demand in similar or other circumstances.

SECTION 9.7. Notices. Unless otherwise provided herein or in the Credit Agreement, any notice or other communication herein required or permitted to be given shall be given in the manner and become effective as set forth in the Credit Agreement, as to any Grantor, addressed to it at the address of the Canadian Borrower set forth in the Credit Agreement and as to the Agent, addressed to it at the address set forth in the Credit Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other parties hereto complying as to delivery with the terms of this SECTION 9.7.

SECTION 9.8. GOVERNING LAW. THIS SECURITY AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

SECTION 9.9. CONSENT TO JURISDICTION; SERVICE OF PROCESS; WAIVER OF JURY TRIAL.

(a) EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS SECURITY AGREEMENT OR THE TRANSACTIONS RELATING HERETO, IN ANY FORUM OTHER THAN THE COURTS LOCATED IN THE PROVINCE OF ONTARIO, CITY OF TORONTO, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN COURTS LOCATED IN THE PROVINCE OF ONTARIO, CITY OF TORONTO. EACH OF THE GRANTORS AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS SECURITY AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY CREDIT PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(b) EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (A) OF THIS SECTION. EACH GRANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 9.7. NOTHING IN THIS SECURITY AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

(d) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY AND WHETHER INITIATED BY OR AGAINST ANY SUCH PERSON OR IN WHICH ANY SUCH PERSON IS JOINED AS A PARTY LITIGANT). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS SECURITY AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.10. Severability of Provisions. If any provision of this Security Agreement is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Security Agreement shall not be affected or impaired thereby and (b) the parties shall endeavour in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. It is hereby agreed that, for purpose of this Security Agreement in the Province of Saskatchewan, Section 2.1(b) shall be deemed to be deleted in its entirety.

SECTION 9.11. Headings. The headings of the sections and subsections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Security Agreement.

SECTION 9.12. Execution in Counterparts; Effectiveness. This Security Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Security Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Security Agreement by telecopy, pdf or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this Security Agreement.

SECTION 9.13. No Release. Nothing set forth in this Security Agreement shall relieve any Grantor from the performance of any term, covenant, condition or agreement on such Grantor's part to be performed or observed under or in respect of any of the Collateral or from any liability to any Person under or in respect of any of the Collateral or shall impose any obligation on the Agent or any other Credit Party to perform or observe any such term, covenant, condition or agreement on such Grantor's part to be so performed or observed or shall impose

any liability on the Agent or any other Credit Party for any act or omission on the part of such Grantor relating thereto or for any breach of any representation or warranty on the part of such Grantor contained in this Security Agreement, the Credit Agreement or the other Loan Documents, or under or in respect of the Collateral or made in connection herewith or therewith. The obligations of each Grantor contained in this SECTION 9.13 shall survive the termination hereof and the discharge of such Grantor's other obligations under this Security Agreement, the Credit Agreement and the other Loan Documents.

SECTION 9.14. Obligations Absolute. All obligations of each Grantor hereunder shall be absolute and unconditional irrespective of:

- (i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Grantor;
- (ii) any lack of validity or enforceability of the Credit Agreement or any other Loan Document, or any other agreement or instrument relating thereto;
- (iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement or any other Loan Document or any other agreement or instrument relating thereto;
- (iv) any pledge, exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations;
- (v) any exercise, non-exercise or waiver of any right, remedy, power or privilege under or in respect hereof, the Credit Agreement or any other Loan Document except as specifically set forth in a waiver granted pursuant to the provisions of SECTION 9.6 hereof; or
- (vi) any other circumstances which might otherwise constitute a defense available to, or a discharge of, any Grantor (other than the termination of this Security Agreement in accordance with SECTION 9.5(a) hereof).

SECTION 9.15. Obligations Joint and Several. The provisions of Section 10.21 of the Credit Agreement are by this reference incorporated herein, *mutatis mutandis*, as if set forth herein in full.

SECTION 9.16. Attachment. Each Grantor and the Agent hereby acknowledge that (1) value has been given, (2) such Grantor has rights in the Collateral or the power to transfer rights in the Collateral (other than after-acquired Collateral, as to which such Grantor shall have rights or the power to transfer rights upon acquisition of such after-acquired Collateral), (3) such Grantor has not agreed to postpone the time of attachment of the security interest granted herein, and (4) this Security Agreement constitutes a security agreement as that term is defined in the PPSA.

SECTION 9.17. Amalgamation. Each Grantor acknowledges and agrees that, in the event it amalgamates with any other company or companies, it is the intention of the parties hereto that the term “Grantor”, when used herein, shall apply to each of the amalgamating companies and to the amalgamated company, such that the security interest granted hereby:

(i) shall extend to “Collateral” (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any “Collateral” thereafter owned or acquired by the amalgamated company; and

(ii) shall secure all “Secured Obligations” (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Credit Parties at the time of amalgamation and all “Secured Obligations” of the amalgamated company to the Credit Parties thereafter arising. The security interest created hereby shall attach at the time of amalgamation to all “Collateral” owned by each company amalgamating with any Grantor, and shall attach to all “Collateral” thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

SECTION 9.18. Copy of Agreement; Waiver. The Grantors hereby acknowledge receipt of a copy of this Security Agreement. To the fullest extent permitted by applicable Law, each Grantor waives such Grantor’s right to receive a copy of any financing statement or financing change statement registered by the Agent, or of any verification statement with respect to any financing statement or financing change statement registered by the Agent.

SECTION 9.19. Existing Security Agreement Amended and Restated. This Security Agreement is an amendment and restatement of the Existing Security Agreement. This Security Agreement is in no way intended to constitute a novation of the Existing Security Agreement or the “Obligations” (as defined in the Existing Credit Agreement). With respect to (i) any date or time period occurring and ending prior to the date hereof, the Existing Credit Agreement, the Existing Security Agreement and the other “Loan Documents” (as defined in the Existing Credit Agreement) (collectively, the “Existing Loan Documents”) shall govern the respective rights and obligations of any party or parties hereto also party thereto and shall for such purposes remain in full force and effect; and (ii) any date or time period occurring or ending on or after the date hereof, the rights and obligations of the parties hereto shall be governed by this Security Agreement (including, without limitation, the schedules hereto) and the other Loan Documents and any reference to any Existing Security Agreement in any Loan Document (other than this Security Agreement) or other document or instrument delivered in connection therewith shall be deemed to refer to this Security Agreement. From and after the date hereof the provisions of this Security Agreement shall prevail in the event of any conflict or inconsistency between such provisions and those of the Existing Security Agreement. Any security granted pursuant to or in connection with the Existing Credit Agreement and the other Existing Loan Documents (whether pursuant to the Existing Security Agreement or otherwise) shall continue to secure the obligations of the Grantors arising initially pursuant to or in connection with the Existing Credit Agreement and the other Existing Loan Documents (as such obligations are modified by or pursuant to the Credit Agreement, the Security Agreement and the other Loan Documents), as such security is modified by the Credit Agreement, the Security Agreement and the other Loan Documents, and such security shall be governed by this Security Agreement and/or the Credit Agreement, as applicable.

SECTION 9.20. Pathlight Intercreditor Agreement. The parties hereto acknowledge and agree that (a) the exercise of certain of the Agent's rights and remedies hereunder may be subject to, and restricted by, the provisions of the Pathlight Intercreditor Agreement and (b) to the extent that any Grantor is required to deliver any Collateral to the Agent for purposes of possession and control and is unable to do so as a result of having delivered such Collateral to the Pathlight Term Agent in accordance with the terms of the Pathlight Intercreditor Agreement, such Grantor's obligations hereunder with respect to such delivery shall be deemed satisfied by the delivery to the Pathlight Term Agent, acting as agent for perfection of the Agent. In the event of any conflict between the terms of this Security Agreement and the terms of the Pathlight Intercreditor Agreement, the terms of the Pathlight Intercreditor Agreement shall govern and control.

SECTION 9.21. Joinder of HBC Canada Parent Holdings Inc., HBC Bay Holdings I Inc. and HBC Bay Holdings II ULC.


(a) Each of the Canadian HoldCo, HBC Bay Holdings I Inc., a corporation organized under the laws of the Province of British Columbia, and HBC Bay Holdings II ULC, an unlimited liability company organized under the laws of the Province of British Columbia (each, a "New Grantor" and collectively, the "New Grantors") by its signature below hereby (i) joins the execution of, and becomes a party to this Security Agreement as a Grantor, (ii) covenants and agrees to be bound by all covenants, agreements, liabilities and acknowledgements of a Grantor under this Security Agreement as of the date hereof (other than covenants, agreements, liabilities and acknowledgments that relate solely to an earlier date), in each case, with the same force and effect as if it was a signatory to this Security Agreement and was expressly named as a Grantor herein, (iii) makes all representations, warranties, and other statements of a Grantor under this Security Agreement as of the date hereof (other than representations, warranties and other statements that relate solely to an earlier date), in each case, with the same force and effect as if it was a signatory to this Security Agreement and was expressly named as a Grantor herein, (iv) assumes and agrees to perform all applicable duties and obligations of the other Grantors named herein (on a joint and several basis with the other Grantors, as and to the extent set forth in this Security Agreement) under this Security Agreement.

(b) Without limiting the generality of SECTION 9.21(a) above, each New Grantor hereby pledges, assigns, mortgages, charges, hypothecates and grants to the Agent, for its benefit and for the benefit of the other Credit Parties, a Lien on and security interest in, and assignment by way of security of, all of the right, title and interest of such New Grantor in, to and under the Collateral wherever located, and whether now existing or hereafter arising or acquired from time to time and expressly assumes all obligations and liabilities of a Grantor hereunder. Each New Grantor hereby authorizes the Agent to file financing statements describing the Collateral as "all assets of the debtor, wherever located, whether now owned or hereafter acquired", "all present and after-acquired personal property of the Grantor" or other similar supergeneric description (it being acknowledged that such description may be broader and/or less specific than the description of the Collateral contained in this Security Agreement).

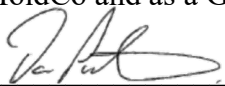
[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Grantors and the Agent have caused this Security Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.


HUDSON'S BAY COMPANY ULC, as the
Canadian Borrower and as a Grantor

By: 
Name: Ian Putnam
Title: President & CEO, HBC Properties &
Investments


HBC CANADA PARENT HOLDINGS INC., as
the Canadian HoldCo and as a Grantor

By: 
Name: Ian Putnam
Title: Vice President


THE BAY LIMITED PARTNERSHIP, by its
general partner, **THE BAY HOLDINGS ULC**, as
a Grantor

By: 
Name: Jennifer Bewley
Title: Senior Vice President, Treasurer


THE BAY HOLDINGS ULC, as a Grantor

By: 
Name: Jennifer Bewley
Title: Senior Vice President, Treasurer

HBC BAY HOLDINGS I INC., as a Grantor

By: 
Name: Ian Putnam
Title: Vice President

HBC BAY HOLDINGS II ULC, as a Grantor

By: 
Name: Ian Putnam
Title: Vice President

BANK OF AMERICA, N.A., as Agent

By: 
Name: Joseph Burt
Title: Senior Vice President

[Form of]

SECURITIES PLEDGE AMENDMENT

This Securities Pledge Amendment, dated as of _____, is delivered pursuant to Section 7.1 of that certain Second Amended and Restated General Security Agreement (as amended, amended and restated, restated, supplemented or otherwise modified from time to time, the “Security Agreement,” capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of February 12, 2024, made by (i) HUDSON’S BAY COMPANY ULC., an unlimited liability company organized under the laws of the Province of British Columbia, as the Canadian Borrower (the “Canadian Borrower”), (ii) THE GUARANTORS party thereto from time to time (the “Guarantors”), as pledgors, assignors and debtors (the Canadian Borrower, together with the Guarantors, in such capacities and together with any successors in such capacities, the “Grantors,” and each, a “Grantor”), in favour of BANK OF AMERICA, N.A., having an office at 100 Federal Street, 9th Floor, Boston, Massachusetts 02110, in its capacity as administrative agent and collateral agent for the Credit Parties, as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the “Agent”). The undersigned hereby agrees that this Securities Pledge Amendment may be attached to the Security Agreement and that the Pledged Securities and/or Intercompany Notes listed on this Securities Pledge Amendment shall be deemed to be and shall become part of the Collateral and shall secure all Secured Obligations.

PLEDGED SECURITIES

<u>ISSUER</u>	<u>CLASS OF STOCK OR INTERESTS</u>	<u>PAR VALUE</u>	<u>CERTIFICATE NO(S).</u>	<u>NUMBER OF SHARES OR INTERESTS</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
---------------	--	----------------------	-------------------------------	--	---

INTERCOMPANY NOTES

ISSUER	PRINCIPAL AMOUNT	DATE OF ISSUANCE	INTEREST RATE	MATURITY DATE
--------	---------------------	---------------------	------------------	------------------

[_____] ,
as Grantor

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

BANK OF AMERICA, N.A., as Agent

By: _____
Name:
Title:

SCHEDULE I
Filings Registrations and Recordings

<u>Agreement / Type of Filing</u>	<u>Entity</u>	<u>Jurisdictions and Filing Office</u>
Canadian Security Agreement / PPSA Filing	1. Hudson's Bay Company ULC 2. Hudson's Bay Company ULC Compagnie de la Baie D'Hudson SRI 3. Compagnie de la Baie d'Hudson SRI Hudson's Bay Company ULC 4. Compagnie de la Baie d'Hudson SRI	British Columbia Alberta Saskatchewan Manitoba Ontario New Brunswick Nova Scotia Prince Edward Island Newfoundland & Labrador Northwest Territories
Canadian Security Agreement / PPSA Filing	HBC Canada Parent Holdings Inc.	British Columbia Ontario
Canadian Security Agreement / PPSA Filing	HBC Bay Holdings I Inc.	British Columbia Ontario
Canadian Security Agreement / PPSA Filing	HBC Bay Holdings II ULC	British Columbia Ontario
Canadian Security Agreement / PPSA Filing	1. The Bay Limited Partnership 2. The Bay Limited Partnership / La Baie Societe en Commandite 3. La Baie Societe en Commandite 4. La Baie Societe en Commandite / The Bay Limited Partnership 5. The Bay Holdings ULC	British Columbia Ontario
Canadian Security Agreement / PPSA Filing	The Bay Holdings ULC	British Columbia Ontario

SCHEDULE II
Pledged Interests

<u>Grantor</u>	<u>Issuer</u>	<u>Type of Organization</u>	<u># of Shares/Units Owned</u>	<u>Total Shares/Units Outstanding</u>	<u>% of Interest Pledged</u>	<u>Certificate No. (if uncertificated, please indicate so)</u>
Hudson's Bay Company ULC	HBC Bay Holdings I Inc.	Corporation	200 Common Shares	200 Common Shares	100% of Common Shares	C-2, C-3
Hudson's Bay Company ULC	The Bay Limited Partnership	Limited Partnership	1,000,000 Class RS Preferred Limited Partnership Units	1,000,000 General Partnership Units 1,000,000 Class RS Preferred Limited Partnership Units	100% of Class RS Preferred Limited Partnership Units	Uncertificated
Hudson's Bay Company ULC	HBC Holdings GP Inc.	Corporation	1 Common Share	1 Common Share	100% of Common Shares	C-2
Hudson's Bay Company ULC	HBC Holdings LP	Limited Partnership	286,129,120 Common Limited Partnership Units 477,658,480 Preferred Limited Partnership Units	50 General Partner Units 286,129,120 Common Limited Partnership Units 477,658,480 Preferred Limited Partnership Units	100% of Common Limited Partnership Units and Preferred Limited Partnership Units	CLP-2, PLP-2

<u>Grantor</u>	<u>Issuer</u>	<u>Type of Organization</u>	<u># of Shares/Units Owned</u>	<u>Total Shares/Units Outstanding</u>	<u>% of Interest Pledged</u>	<u>Certificate No. (if uncertificated, please indicate so)</u>
HBC Canada Parent Holdings Inc.	Hudson's Bay Company ULC	Unlimited Liability Corporation	145,384,527 Class B Common Shares	145,384,527 Class B Common Shares	100% of Class B Common Shares	CB-2
The Bay Holdings ULC	The Bay Limited Partnership	Limited Partnership	1,000,000 General Partnership Units	1,000,000 General Partnership Units 1,000,000 Class RS Preferred Limited Partnership Units	100% of General Partnership Units	Uncertificated
HBC Bay Holdings I Inc.	HBC Bay Holdings II ULC	Unlimited Liability Corporation	5 Common Shares (non-voting) 100,000 Preferred Shares (voting)	100 Common Shares (non-voting) 100,000 Preferred Shares (voting)	5% of Common Shares (non-voting) 100% of Preferred Shares (voting)	C-4 P-2
HBC Bay Holdings II ULC	The Bay Holdings ULC	Unlimited Liability Corporation	200,000,000 Common Shares	200,000,000 Common Shares	100% of Common Shares	C-5

SCHEDULE III
Intercompany Notes

GRANTOR	ISSUER	PRINCIPAL AMOUNT	DATE OF ISSUANCE	INTEREST RATE	MATURITY DATE
Hudson's Bay Company ULC	HBC Europe Holding S.à.r.l.	USD\$338,041.30	December 10, 2020	0%	Due and payable upon demand by Grantor
Hudson's Bay Company ULC	HBC Europe Holding S.à.r.l.	USD\$1,198,907.00	March 11, 2021	0%	Due and payable upon demand by Grantor
Hudson's Bay Company ULC	HBC Europe Holding S.à.r.l.	EUR10,000.00	December 14, 2022	0%	Due and payable upon demand by Grantor
Hudson's Bay Company ULC	HBC Europe Holding S.à.r.l.	EUR150,000.00	June 4, 2021	0%	Due and payable upon demand by Grantor
Hudson's Bay Company ULC	HBC Europe Holding S.à.r.l.	EUR100,000.00	July 16, 2021	0%	Due and payable upon demand by Grantor
Hudson's Bay Company ULC	HBC Europe Holding S.à.r.l.	EUR80,000.00	September 14, 2022	0%	Due and payable upon demand by Grantor
Hudson's Bay Company ULC	GHBC Groupe Inc	USD\$2,810,256.00	November 4, 2020	1%	Due and payable upon demand by Grantor
The Bay Limited Partnership	Hudson's Bay Company ULC	CAD\$6,223,348.92	November 26, 2022	0%	(a) the first business day following the end of the fiscal year during which the Principal Amount was made, or (b) the date on which any bankruptcy, compromise, arrangement, insolvency or other proceeding for the relief of debtors or creditors is instituted by or against the Issuer, or any act is taken by or against the Issuer to appoint a receiver, receiver-manager, interim receiver, custodian or similar person of all or any portion of the undertaking, property or assets of the Issuer.
Hudson's Bay Company ULC	HBC Convene Holdco I LLC	USD\$36,000,000.00	April 8, 2022	0%	Due and payable upon demand by Grantor