

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

ROYAL BANK OF CANADA

Applicant

and

CANTECH GLOBAL DISTRIBUTION INC.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O, 1990, c.c43, AS AMENDED

APPLICATION RECORD

(Returnable October 26, 2017)

October 17, 2017

DEVRY SMITH FRANK LLP

Lawyers & Mediators
95 Barber Greene Road, Suite 100
Toronto, Ontario M3C 3E9

JAMES SATIN

LSUC #44025R

Tel : (416) 449-1400

Fax: (416) 449-7071

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Lawyers for the Applicant

TO: GOWING WLG
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, Ontario M5X 1G5

CHRIS J. EUSTACE

Tel : (416) 862-4467
Fax: (416) 862-7661

Lawyers for the Respondent, Cantach Global Distribution Inc.

AND TO: JIM PEPLINSKI LEASING INC.
3200 Bloor Street West
Toronto, Ontario M8X 1E1

ONTARIO
SUPERIOR COURT OF JUSTICE
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APPLICATION RECORD

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| D | Exhibit "D" Demand Letter |
| E | Exhibit "E" Receiver's consent |

Cv 17-584372-00CL

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

ROYAL BANK OF CANADA

Applicant

and

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APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O, 1990, c.c43, AS AMENDED

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing before a Judge on **THURSDAY THE 26th DAY OF OCTOBER, 2017**, at 10:00 a.m. at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a

lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least two days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: October 13, 2017

Issued by


Local registrar

Address of court office:
Bankruptcy / Commercial Courts
339 University Avenue, 7th Floor
Toronto, Ontario M5G 1R7

TO: GOWLING WLG
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, Ontario M5X 1G5

CHRIS J. EUSTACE

Tel : (416) 862-4467
Fax: (416) 862-7661

Lawyers for the Respondent, Cantech Global Distribution Inc.

AND TO: JIM PEPLINSKI LEASING INC.
3200 Bloor Street West
Toronto, Ontario M8X 1E1

APPLICATION

THE APPLICANT MAKES AN APPLICATION FOR:

- (a) an order abridging the time for service and/or filing of its application materials herein;
- (b) if necessary, an order validating service of the notice of application and related materials herein;
- (c) an order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MSI Spergel Inc. to be receiver ("Receiver") over all of the property, assets and undertaking of Cantech Global Distribution Inc. ("Cantech") in substantially the form of the draft order attached hereto at Tab 1A;
- (d) if necessary, an order pursuant to s. 243(1) dispensing with the requirement for the applicant to deliver a notice pursuant to s. 244(1) prior to bringing the application herein and this Honourable Court's appointment of the Receiver;
- (e) costs of this application on a substantial indemnity basis including disbursements and applicable H.S.T.; and
- (f) such further and/or other relief that this Honourable Court deems just.

THE GROUNDS FOR THE APPLICATION ARE:

- (a) Cantech granted the applicant a security interest, the terms of which are set out in a General Security Agreement dated September 9, 2013. The General Security Agreement provides that upon default the applicant may appoint a Receiver;
- (b) Cantech is indebted to the applicant pursuant a Confirmation of Credit Facilities Letter. The respondent is in default of its obligations under the facilities. On April 1, 2017, the applicant made demand requiring that the respondent pay the full amount outstanding which as of March 31, 2017 was \$856,645.21;

- (c) Section 101 of the *Courts of Justice Act* and s. 243 of the *Bankruptcy and Insolvency Act*;
- (d) Rule 41.02 of the *Rules of Civil Procedure*; and
- (e) Such further and other relief as counsel for the Applicant may advise and this Honourable Court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:

- (a) the affidavit of Sandy Viikna sworn October 6, 2017 including its exhibits;
- (b) such further and other evidence as counsel for the Applicant may advise and this Honourable Court permit.

Date of issue: October 13, 2017

DEVRY SMITH FRANK LLP
Lawyers & Mediators
95 Barber Greene Road, Suite 100
Toronto, Ontario M3C 3E9

JAMES SATIN
LSUC #44025R

Tel : (416) 449-1400
Fax: (416) 449-7071
Email: james.satin@devrylaw.ca

Lawyers for the Applicant

ROYAL BANK OF CANADA

Applicant

CANTECH GLOBAL DISTRIBUTION INC.

Respondent

Court File No.

217-5843 +2 - BDC

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

IN THE MATTER OF AN APPLICATION UNDER
SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, c.B-3, AS AMENDED,
AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O.
1990, c.C43, AS AMENDED

Proceeding commenced at
TORONTO

NOTICE OF APPLICATION

DEVRY SMITH FRANK LLP
Lawyers & Mediators
95 Barber Greene Road, Suite 100
Toronto, Ontario M3C 3E9

JAMES SATIN
LSUC #: 44025R

Tel : (416) 449-1400
Fax: (416) 449-7071

Lawyers for the Applicant

CV-17-584372-00 CL
Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL COURT

BETWEEN:

ROYAL BANK OF CANADA

Applicant

and

CANTECH GLOBAL DISTRIBUTION INC.

Respondent

**APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c B-3, AS AMENDED AND SECTION 101
OF THE *COURTS OF JUSTICE ACT*, R.S.O, 1990, c.c43, AS AMENDED**

AFFIDAVIT OF SANDY VIKNA

I, SANDY VIKNA, of the City of Town of Whitby in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Manager of the Special Loans and Advisory Services at Royal Bank of Canada. I have carriage of the file involving Cantech Global Distribution Inc. ("Cantech"), and as such have knowledge of the following facts.
2. By way of a Confirmation of Credit Facilities Letter dated May 29, 2014 (the "CCF"), and various Visa agreements, the Applicant made credit available to Cantech. A true copy of the CCF and Visa agreements are attached to this affidavit and marked as **Exhibit "A"**.
3. Cantech is a corporation incorporated pursuant to the laws of the province of Ontario. Attached hereto and marked as **Exhibit "B"** is a true copy of the Corporate Profile Report.

4. Cantech is a corporation carrying on business in the City of Burlington, Ontario.
5. Cantech executed a General Security Agreement ("GSA") in favour of the Applicant on September 9, 2013. A true copy of the GSA is attached to this affidavit and marked as **Exhibit "C"**. Paragraph 11 of the GSA defines the events of default. One of the events of default under the GSA is non-payment of an amount under the loan. Paragraph 13 of the GSA sets out the remedies available to the Applicant. Those remedies include the right of the Applicant to appoint a receiver and manager.
6. On or about April 1, 2016, the Applicant made demand on the Respondent. Attached to this affidavit and marked as **Exhibit "D"** is a true copy of the demand letter.
7. Cantech is indebted to the Applicant for unpaid accrued interest and legal and other costs.
8. As of the date I swear this Affidavit the amount owing by Cantech to the Bank is \$668,489.19.
9. msi Spergel Inc. has consented to being appointed a receiver by the court. A true copy of the consent is attached to this affidavit and marked as **Exhibit "E"**.
10. The Applicant requests that this Court appoint msi Spergel Inc. as receiver.

SWORN before me at the City of
Toronto, in the Province of Ontario,
this 6 day of October, 2017


A Commissioner for taking affidavits.

Peter John Gordon, a Commissioner, etc.,
City of Toronto, for the Royal Bank of Canada.
Expires June 10, 2020.


SANDY VIKNA

This is Exhibit "A" referred to in the affidavit of
SANDY VIKNA sworn before me, this 6th
day of October, 2017.



A COMMISSIONER FOR TAKING AFFIDAVITS

Peter John Gordon, a Commissioner, etc.,
City of Toronto, for the Royal Bank of Canada.
Expires June 10, 2020.



PLEASE FORWARD TO APPROPRIATE BUSINESS SERVICE CENTRE (BSC)

E-FORM 3194 (01/2013)

BUSINESS CREDIT CARDS - NEW ACCOUNTS/ADDITIONAL CREDIT*

NOTE: Only typed submission accepted. Handwritten forms will be returned.
Fields labeled with asterisks (**) are mandatory

CAMPAIGN CODE/ASC

| | |
|---|--|
| TO: Toronto BSC - Existing Borrower Commercial Fax to 1-877-974-4238 | |
| RE: BUSINESS SRF** 02 544-190-739 | BUSINESS APPLICANT NAME (LEGAL REGISTERED BUSINESS NAME)** CANTECH GLOBAL DISTRIBUTION INC. |
| BUSINESS ADDRESS** P.O. BOX TO BE USED ONLY IN RURAL AREAS WHERE NO STREET ADDRESS IS AVAILABLE SUITE 3 830 HARRINGTON COURT BURLINGTON ON L7N3N4 | BUSINESS NAME TO APPEAR ON CARDS Max. 24 Characters** BUSINESS PHONE NUMBER (905) 639-0147 EXT: 0000 |
| HOME BRANCH TRANSIT NUMBER (Obtain from Business SRF profile)** 00712 | |

AUTHORIZED ALTERNATE CONTACT PERSON FOR BUSINESS (optional)

| | | |
|----------------------------|--------|---------------------|
| Name (first name, surname) | Title: | Phone Number & Ext: |
|----------------------------|--------|---------------------|

RBC CONTACT OFFICER INFORMATION (ALL FIELDS MUST BE COMPLETED)**

We certify that the total credit extended, including these limits, is approved under Authorized Credit Facility dated (mm/dd/yy): August 21, 2013

| | |
|---|---|
| BANK OFFICER NAME MICHAEL MILOVANOVIC | RESPONSIBILITY TRANSIT 04682 |
| BANK OFFICER PHONE NUMBER (905) 333-7269 | BANK OFFICER FAX NUMBER (905) 333-7321 |

Please add the following people to the Business Credit Card Accounts issued to the above company

NOTE: When combining points from a Personal and Business Avion:

- All cards will be required to have the same statement date as the card into which points will be combined. This alignment of statement dates will cause a one month delay in the display and the availability for redemption of combined points on the statement of the card into which the points will be combined.
- This feature is only available to Business Owners (only 1 owner at a time is eligible to receive the rolled-up points).
- Terms and conditions are outlined on our website at www.rbc.rewards.com or in the RBC Rewards catalogue. Please read them carefully.

| | |
|---|----|
| STATEMENT DATE** This is the date the statement (s) will be printed. All cards must have the same statement date as the card where points roll up to (between the 3rd and the 27th day of the month). | 27 |
| CARD LANGUAGE PREFERENCE** ENGLISH | |

CLIENT HAS EXISTING AVION CARD THAT POINTS WILL ROLL-UP INTO

| | | |
|--|---|---|
| OPTION: Existing Business Client has an existing Business Avion account that points will roll-up into | CARDHOLDER NAME (AS IT APPEARS ON EXISTING CARD)** DAVID HOWE | EXISTING CARD NUMBER (16 DIGITS)** 4516070008509103 |
|--|---|---|

OPEN NEW PRIMARY BUSINESS AVION CARD THAT POINTS WILL ROLL-UP INTO

| CARDHOLDER NAME** (first name, surname) Maximum 24 characters | CARD TYPE** | CREDIT LIMIT** (Business Avion min \$2500) | FEE CODE (Determines annual fee & points) |
|--|----------------|---|--|
| DAVID HOWE | BUSINESS AVION | \$7,500 | C03R |

OPEN ADDITIONAL NEW BUSINESS ACCOUNTS (SUPPLEMENTARY)

(Note: Business cards can also be opened here but there will be no points roll up)

| CARDHOLDER NAME** (first name, surname) Maximum 24 characters | CARD TYPE** | CREDIT LIMIT** (Business Classic min \$1000 Business Avion min \$2500) | FEE CODE (Determines annual fee & points) |
|--|--|--|--|
| DAVID HOWE | BUSINESS AVION (With points rolling up into Primary account above) | \$2,500 | C02R |
| | | | |
| | | | |
| | | | |

OPEN ADDITIONAL NEW BUSINESS ACCOUNTS (SUPPLEMENTARY) continued.

| CARDHOLDER NAME** (first name, surname) Maximum 24 characters | CARD TYPE** | CREDIT LIMIT** (Business Classic min \$1000 Business Avion min \$2500) | FEE CODE (Determines annual fee & points) |
|--|-------------|--|---|
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The following two options to be used in conjunction with the creation of a new account.
Please use CART for standalone requests.

Decrease Credit Limit:

| Cardholder Name (first name*surname) | Existing Credit Card Number | New Credit Limit (ensure minimum product limits are adhered to) |
|---|-----------------------------|--|
| | | |
| | | |
| | | |

Close existing credit Card:

| Cardholder Name (first name*surname) | Existing Credit Card Number |
|---|-----------------------------|
| | |
| | |
| | |

Autopay:

Bank Name
Bank Code (Institution Number)
Bank Transit
Bank Account Number:

Add _____

 00712 _____

Minimum Payment

On the due date a deduction and application of the minimum payment minus any payments made as indicated on the last cycled statement

Previous Balance

On the due date a deduction and application of a payment based on the last cycle statement 'statement balance' minus any payment made (or credits received) before the actual due date.

Apply to all cards on SRF profile (no list required)

List additional accounts to be set up (including new open)

| CARDHOLDER NAME (first name, surname) Maximum 24 characters | Existing Credit Card Number |
|--|-----------------------------|
| | |
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| | |

CARD DELIVERY ADDRESS** (Only select one destination by placing an X beside preferred option)


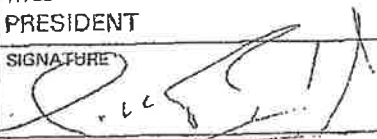
Deliver card(s) to Business Address P.O. BOX TO BE USED ONLY IN RURAL AREAS WHERE NO STREET ADDRESS IS AVAILABLE

Cards will be delivered to the address indicated on Page 1

Deliver card(s) to branch

| | |
|---|---|
| BRANCH TRANSIT # Q4682 | BRANCH TRANSIT NAME ATTENTION DONNA RYAN |
| STREET ADDRESS 3405 HARVESTER ROAD, SUITE 201 | |
| CITY BURLINGTON | PROVINCE Ontario |
| COUNTRY (if foreign) | POSTAL CODE L7N3N1 |

I AM AN AUTHORIZED SIGNING OFFICER OF THE BUSINESS WITH THE AUTHORITY TO BIND THE BUSINESS APPLICANT

| | |
|--|---|
| NAME DAVID HOWE | NAME JEFF FELSKE |
| TITLE GENERAL MANAGER | TITLE PRESIDENT |
| SIGNATURE  | SIGNATURE  |
| DATE (mm/dd/yy) 2/3/14 | DATE (mm/dd/yy) 2/3/14 |

COMMENTS: (OPTIONAL)

This section is NOT to be used for changes on existing cards. For maintenance items such as name changes, card cancellations, etc. use CART - Client Action and Request Tool



PLEASE FORWARD TO APPROPRIATE BUSINESS SERVICE CENTRE (BSC)

E-FORM 3194 (01/2013)

BUSINESS CREDIT CARDS - NEW ACCOUNTS/ADDITIONAL CREDIT*NOTE: Only typed submission accepted. Handwritten forms will be returned.
Fields labeled with asterisks (**) are mandatory

CAMPAIGN CODE/ASC

| | |
|---|--|
| TO: Toronto BSC - Existing Borrower Commercial Fax to 1-877-974-4238 | |
| RE: BUSINESS SRF** 02 544-190-739 | BUSINESS APPLICANT NAME (LEGAL REGISTERED BUSINESS NAME)** CANTECH GLOBAL DISTRIBUTION |
| BUSINESS ADDRESS** P.O. BOX TO BE USED ONLY IN RURAL AREAS WHERE NO STREET ADDRESS IS AVAILABLE SUITE 3 830 HARRINGTON COURT BURLINGTON ON L7N3N4 | BUSINESS NAME TO APPEAR ON CARDS Max. 24 Characters** BUSINESS PHONE NUMBER (905) 639-0147 EXT: 0000 |
| HOME BRANCH TRANSIT NUMBER (Obtain from Business SRF profile)** 00712 | |

AUTHORIZED ALTERNATE CONTACT PERSON FOR BUSINESS (optional)

| | | |
|----------------------------|--------|---------------------|
| Name (first name, surname) | Title: | Phone Number & Ext: |
|----------------------------|--------|---------------------|

RBC CONTACT OFFICER INFORMATION (ALL FIELDS MUST BE COMPLETED)**

We certify that the total credit extended, including these limits, is approved under Authorized Credit Facility dated (mm/dd/yy): August 21, 2013

| | |
|---|---|
| BANK OFFICER NAME Michael Milovanovic | RESPONSIBILITY TRANSIT 04682 |
| BANK OFFICER PHONE NUMBER (905) 333-7269 | BANK OFFICER FAX NUMBER (905) 333-7321 |

Please add the following people to the Business Credit Card Accounts issued to the above company

NOTE: When combining points from a Personal and Business Avion:

- All cards will be required to have the same statement date as the card into which points will be combined. This alignment of statement dates will cause a one month delay in the display and the availability for redemption of combined points on the statement of the card into which the points will be combined.
- This feature is only available to Business Owners (only 1 owner at a time is eligible to receive the rolled-up points).
- Terms and conditions are outlined on our website at www.rbc Rewards.com or in the RBC Rewards catalogue. Please read them carefully.

| | |
|---|----|
| STATEMENT DATE** This is the date the statement (s) will be printed. All cards must have the same statement date as the card where points roll up to (between the 3rd and the 27th day of the month). | 27 |
| CARD LANGUAGE PREFERENCE** ENGLISH | |

CLIENT HAS EXISTING AVION CARD THAT POINTS WILL ROLL-UP INTO

| | | |
|--|---|---|
| option: Existing Personal Client has an existing Personal Avion account that points will roll-up into | CARDHOLDER NAME (AS IT APPEARS ON EXISTING CARD)** David Howe | EXISTING CARD NUMBER (16 DIGITS)** 4516070008509103 |
|--|---|---|

OPEN NEW PRIMARY BUSINESS AVION CARD THAT POINTS WILL ROLL-UP INTO

| CARDHOLDER NAME** (first name, surname) Maximum 24 characters | CARD TYPE** | CREDIT LIMIT** (Business Avion min \$2500) | FEE CODE (Determines annual fee & points) |
|--|----------------|---|--|
| David Howe | BUSINESS AVION | \$7,500 | CO3R |

OPEN ADDITIONAL NEW BUSINESS ACCOUNTS (SUPPLEMENTARY)

(Note: Business cards can also be opened here but there will be no points roll up)

| CARDHOLDER NAME** (first name, surname) Maximum 24 characters | CARD TYPE** | CREDIT LIMIT** (Business Classic min \$1000 Business Avion min \$2500) | FEE CODE (Determines annual fee & points) |
|--|--|--|--|
| Linda Hardacre | BUSINESS AVION (With points rolling up into Primary account above) | \$2,500 | EMPR |
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OPEN ADDITIONAL NEW BUSINESS ACCOUNTS (SUPPLEMENTARY) continued.

| CARDHOLDER NAME** (first name, surname) Maximum 24 characters | CARD TYPE** | CREDIT LIMIT** (Business Classic min \$1000 Business Avion min \$2500) | FEE CODE (Determines annual fee & points) |
|--|-------------|--|---|
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The following two options to be used in conjunction with the creation of a new account.
Please use CART for standalone requests.

Decrease Credit Limit:

| Cardholder Name (first name* surname) | Existing Credit Card Number | New Credit Limit (ensure minimum product limits are adhered to) |
|--|-----------------------------|--|
| | | |
| | | |
| | | |

Close existing credit Card:

| Cardholder Name (first name* surname) | Existing Credit Card Number |
|--|-----------------------------|
| | |
| | |
| | |

Autopay:

Add

Bank Name

Bank Code (Institution Number)

Bank Transit

Bank Account Number:

00712

Minimum Payment

On the due date a deduction and application of the minimum payment minus any payments made as indicated on the last cycled statement

Previous Balance

On the due date a deduction and application of a payment based on the last cycle statement 'statement balance' minus any payment made (or credits received) before the actual due date.

Apply to all cards on SRF profile (no list required)

List additional accounts to be set up (including new open)

| CARDHOLDER NAME (first name, surname) Maximum 24 characters | Existing Credit Card Number |
|--|-----------------------------|
| | |
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| | |

CARD DELIVERY ADDRESS (Only select one destination by placing an X beside preferred option)**



Deliver card(s) to Business Address **P.O. BOX TO BE USED ONLY IN RURAL AREAS WHERE NO STREET ADDRESS IS AVAILABLE**

Cards will be delivered to the address indicated on Page 1

Deliver card(s) to branch

| | |
|------------------------------------|---------------------------------|
| BRANCH TRANSIT # 00712 | BRANCH TRANSIT NAME |
| | ATTENTION Guelph Line & Mainway |
| STREET ADDRESS 3030 Mainway Avenue | |
| CITY Burlington | PROVINCE Ontario |
| COUNTRY (if foreign) Canada | POSTAL CODE L7M1A3 |

I AM AN AUTHORIZED SIGNING OFFICER OF THE BUSINESS WITH THE AUTHORITY TO BIND THE BUSINESS APPLICANT

| | |
|--|---|
| NAME David Howe | NAME John Aditajs |
| TITLE COO | TITLE VP Sales |
| SIGNATURE  | SIGNATURE  |
| DATE (mm/dd/yy) March 3, 2014 | DATE (mm/dd/yy) March 3, 2014 |

COMMENTS: (OPTIONAL)

* Please note: This 3194 to REPLACE 3194 sent
on Feb 7/14. *

This section is NOT to be used for changes on existing cards. For maintenance items such as name changes, card cancellations, etc. use CART - Client Action and Request Tool

* Registered trademarks of Royal Bank of Canada.
RBC and Royal Bank are registered trademarks of Royal Bank of Canada.
All other trademarks are the property of their respective owner(s).



Royal Bank of Canada
 Commercial Financial Services
 3405 Harvester Road, Suite 201
 Burlington, Ontario L7N 3N1

May 29, 2014

Private and Confidential

CANTECH GLOBAL DISTRIBUTION INC.
 Suite 3
 830 Harrington Court
 Burlington, Ontario
 L7N 3N4

ROYAL BANK OF CANADA (the "Bank") hereby confirms the credit facilities described below (the "Credit Facilities") subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the "Agreement"). This Agreement supersedes and cancels our credit agreement dated May 6, 2014 which has not been accepted by the Borrower. This Agreement amends and restates without novation the existing agreement dated August 30, 2013 and any amendments thereto. Any amount owing by the Borrower to the Bank under such previous agreement is deemed to be a Borrowing under this Agreement. Any and all security that has been delivered to the Bank and is set forth as Security below, shall remain in full force and effect, is expressly reserved by the Bank and, unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities. Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

BORROWER: Cantech Global Distribution Inc. (the "Borrower")

CREDIT FACILITIES

Facility #1: \$600,000.00 revolving demand facility by way of:

a) RBP based loans ("RBP Loans")

| | | | |
|---------------------------|------------|----------------------------|-------------|
| Revolve in increments of: | \$5,000.00 | Minimum retained balance: | \$0.00 |
| Revolved by: | Bank | Interest rate (per annum): | RBP + 2.20% |

b) RBUSBR based loans in US currency ("RBUSBR Loans")

| | | | |
|---------------------------|------------|----------------------------|----------------|
| Revolve in increments of: | \$5,000.00 | Minimum retained balance: | \$0.00 |
| Revolved by: | Bank | Interest rate (per annum): | RBUSBR + 2.20% |

* Registered Trademark of Royal Bank of Canada

c) Letters of Credit in Canadian currency or US currency ("LCs")

| |
|---|
| Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts. |
|---|

d) Letters of Guarantee in Canadian currency or US currency ("LGs")

| |
|---|
| Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts. Minimum fee of \$100.00 in the currency of issue. |
|---|

AVAILABILITY

The Borrower may borrow, convert, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

Borrowings outstanding under this facility must not exceed at any time the aggregate of the following, less Potential Prior-Ranking Claims (the "Borrowing Limit"):

- a) 75% of Good Accounts Receivable;
- b) 90% of Good EDC Accounts Receivable;
- c) to a maximum of \$200,000.00, 50% of the lesser of cost or net realizable value of Unencumbered Inventory.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, and regardless of the maturities of any outstanding instruments or contracts, Borrowings under this facility are repayable on demand.

GENERAL ACCOUNT

The Borrower shall establish current accounts with the Bank in each of Canadian currency and US currency (each a "General Account") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of each General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans, or RBUSBR Loans as applicable, under this facility.

Facility #2: \$78,651.35 non-revolving term facility fully drawn by way of:

- a) Fixed Rate Term Loans ("FRT Loans") Interest rate (per annum) 4.82%

REPAYMENT

| | | | |
|---|-----------------|---|--------------------|
| Payment Amount: | \$2,989.21 | Payment Frequency: | Monthly |
| Payment Type: | Blended | Payment date: | 30th of each month |
| Repayable in full on: | August 30, 2016 | Current remaining amortization (months) | 28 |
| Amount eligible for prepayment of FRT Loan: 10% | | | |

Facility #3: \$300,000.00 revolving facility available by way of a series of term loans, by way of:

- a) FRT Loans Fixed interest rate to be determined at time of Borrowing
- b) Leases, which will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and a separate agreement, the terms of the separate agreement will govern.

AVAILABILITY

The Borrower may borrow, convert, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time without notice. If the Borrower elects to utilize this facility by way of Leases, the determination by the Bank as to whether it will enter into any Lease will be entirely at its sole discretion.

The amount of any Borrowing must not exceed 100% of the purchase price of the equipment being financed with such Borrowing.

REPAYMENT

Each Borrowing under this facility shall be repayable by consecutive weekly, bi-weekly, monthly, quarterly, semi-monthly, semi-annual, annual principal payments or blended payments of principal and interest based on a maximum amortization of 5 years and a maximum term of 5 years. The specific repayment terms for each new Borrowing will be agreed to between the Borrower and the Bank at the time of the Borrowing by way of a Borrowing Request substantially in the form of Schedule "E" provided to the Bank.

The Borrower, prior to any Borrowing by way of FRT Loans, will select the amount eligible for prepayment of each FRT Loan.

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "Other Facilities"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) VISA Business to a maximum amount of \$10,000.00.

FEES

One Time Fee:

Payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Administration Fee: \$750.00

Monthly Fee:

Payable in arrears on the same day of each month.

Management Fee in respect of Facility #1: \$250.00

Other Fees:

Renewal Fee:

If the Bank renews or extends any term facility or term loan beyond its Maturity Date, an additional renewal fee may be payable in connection with any such renewal in such amount as the Bank may determine and notify the Borrower.

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank, including without limitation any amounts outstanding under any Leases, shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;

- b) Postponement and assignment of claim on the Bank's form 918 signed by Jeff Felske;
- c) Postponement and assignment of claim on the Bank's form 918 signed by John Bilbija;
- d) Postponement and assignment of claim on the Bank's form 918 signed by Cantech Industrial Research Corporation;
- e) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$1,000,000.00 signed by Cantech Industrial Research Corporation;
- f) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$200,000.00 signed by John Bilbija;
- g) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$400,000.00 signed by Jeff Felske;
- h) Postponement and assignment of claim on the Bank's form 918 signed by 201455 Ontario Limited;

collectively the Security described in paragraphs e), f), g) and h) inclusive above are referred to as the "New Security".

The Security described in paragraphs a) to d) inclusive above and the New Security is collectively referred to as the "Security".

FINANCIAL COVENANTS

In the event that the Borrower changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility and while any availability exists under any facility which is not a discretionary facility or while any Borrowings remain outstanding under any term facility, or while any amounts remain outstanding under any Lease, the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain on a consolidated basis to be measured as at the end of each fiscal year:
 - i. a ratio of Total Liabilities to Tangible Net Worth of not greater than 3.0:1.

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) quarterly Borrowing Limit Certificate, substantially in the form of Schedule "G" signed on behalf of the Borrower by any one of the Chief Executive Officer, the President, the Vice-President Finance, the Treasurer, the Comptroller, the Chief Accountant or any other employee of the Borrower holding equivalent office, within 45 days of each fiscal quarter end;
- b) annual Compliance Certificate, substantially in the form of Schedule "H" signed by an authorized signing officer of the Borrower, within 90 days of each fiscal year end, certifying compliance with this Agreement including the financial covenants set forth in the Agreement;
- c) annual review engagement financial statements for the Borrower, within 90 days of each fiscal year end;
- d) annual review engagement consolidated and unit financial statements for Cantech Industrial Research Corporation, within 90 days of each fiscal year end;

- e) biennial personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every second fiscal year of the Borrower, commencing with the fiscal year ending in 2015; and
- f) such other financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, with exception of the New Security registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally;

- e) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank;
- f) no Borrowing under Facility #3 will be made available unless the Bank has received a Borrowing Request from the Borrower substantially in the form of Schedule "E" together with
 - i) an invoice, bill of sale or cancelled cheque in respect of the equipment being financed with such Borrowing;
- g) no Lease will be made available to the Borrower unless it meets the leasing criteria established by the Bank and the Bank has received such documentation in respect thereof as may be required by the Bank.

In addition to the conditions set forth in paragraphs a) to g) inclusive above, the availability of any Borrowing under Facility #1, where the aggregate Borrowings outstanding, after giving effect to the requested Borrowing, would exceed \$500,000.00 and the availability of any Borrowing under Facility #3, is conditional upon the receipt of:

- a) the New Security provided for herein, registered, as required, to the satisfaction of the Bank, together with such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

BUSINESS LOAN INSURANCE PLAN

The Borrower acknowledges that the Bank has offered it insurance on the Borrowings under the Business Loan Insurance Plan Policy 51000 ("Policy") issued by the Sun Life Assurance Company of Canada to the Bank and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased amount for the Borrowings that may be eligible.

Should the Borrower decide to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 Eng or 53480 Fr). However, should the Borrower decide not to apply, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the offer.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums, if applicable, are taken with your scheduled loan payments. In the case of blended payments of principal and interest, as premiums fluctuate based on various factors such as, by way of example, the age of the insured and changes to the insured loan balance, a part of the premium payment may be deducted and taken from the scheduled blended loan payment with the result that the amortization period may increase in the

case of any loan to which this coverage applies. Refer to the Business Loan Insurance Plan application for further explanation and disclosure.

GOVERNING LAW JURISDICTION

Province of Ontario.

ACCEPTANCE

This Agreement is open for acceptance until June 30, 2014, after which date it will be null and void, unless extended in writing by the Bank.


ROYAL BANK OF CANADA

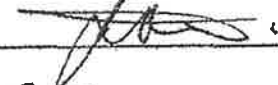
Per: 
Name: Michael Milovanovic
Title: Account Manager

/mf

We acknowledge and accept the terms and conditions of this Agreement on this 13 day of June, 2014..

CANTECH GLOBAL DISTRIBUTION INC.

Per: 
Name: JEFF FELKE - President
Title:

Per: 
Name:
Title: CFO.

I/We have the authority to bind the Borrower

Attachments:

Terms and Conditions

Schedules:

- Definitions
- Calculation and Payment of Interest and Fees
- Additional Borrowing Conditions
- Revolving Term by way of a series of term loans - Borrowing Request
- Borrowing Limit Certificate
- Compliance Certificate
- RBC Covarity Dashboard Terms and Conditions

TERMS AND CONDITIONS

The Bank is requested by the Borrower to make the Credit Facilities available to the Borrower in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrower agrees, and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand including, without limitation, an amount equal to the face amount of all LCs and LGs which are unmatured or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations. For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

In the case of any reducing term loan and/or reducing term facility ("Reducing Term Loan/Facility"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("Renewal Letter") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the Maturity Date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings are by way of RBP Loans or RBUSBR Loans, the Borrower may prepay such Borrowings in whole or in part without fee or premium.

Where Borrowings are by way of FRT Loans, provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay such Borrowings on a non-cumulative basis up to the percentage, as selected by the Borrower for each FRT Loan, of the outstanding principal balance on the day of prepayment, without fee or premium, once per year during the 12 month period from each anniversary date of the Borrowing. Prepayments greater than the amounts provided for herein may be made only with the prior written consent of the Bank and will be subject to a prepayment fee determined by the Bank, in its sole discretion.

The prepayment of any Borrowings under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "Accounts") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the

principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure and it will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

No amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower, or a Guarantor if applicable, in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor if applicable for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) it is duly incorporated, validly existing and duly registered or qualified to carry on business in each jurisdiction in which its business or assets are located;
- b) the execution, delivery and performance by it of this Agreement have been duly authorized by all necessary actions and do not violate its constituting documents or any Applicable Laws or agreements to which it is subject or by which it is bound;
- c) the execution, delivery and performance by it of this Agreement do not violate any Applicable Laws or agreements to which it is subject or by which it is bound;
- d) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default;
- e) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental and Health and Safety Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- f) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing and/or the entering into each Lease hereunder.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

JUDGEMENT CURRENCY

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "Judgement Currency") any amount due hereunder in any currency other than the Judgement Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgement is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgement is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgement Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency together with interest at RBP and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the Borrower under this section will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this Agreement.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower, or any Guarantor if applicable, under this Agreement or in any other document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.

INCREASED COSTS

If any change in Applicable Laws or the interpretation thereof after the date hereof (i) imposes or increases taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) imposes or increases any reserve or other similar requirement or (iii) imposes or changes any other condition affecting the Credit Facilities, and the result of any of the foregoing results in any additional cost to the Bank of making available, continuing or maintaining any of the Credit Facilities hereunder (or maintaining any obligations to make any such Credit Facilities available hereunder) or results in any reduction in the amount of any sum received or receivable by the Bank in connection with this Agreement or the Credit Facilities made available hereunder, then from time to time, upon written request of the Bank, the Borrower shall promptly pay to the Bank, such additional amount or amounts as will compensate the Bank for any such additional costs incurred or reduction suffered.

Schedule "A"

DEFINITIONS

For the purpose of this Agreement, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are **"Borrowings"**;

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed throughout Canada;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"EDC Accounts Receivable" means trade accounts receivable of the Borrower, where the payment has been insured by Export Development Canada ("**EDC**"); and the Bank has been provided with a duly executed Direction to Pay supported by a copy of the applicable insurance policy and any renewals thereof;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equity" means the total of share capital, (excluding preferred shares redeemable within one year) contributed surplus and retained earnings plus Postponed Debt;

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

"Good Accounts Receivable" means trade accounts receivable of the Borrower owing by Persons whose chief operating activities are located in Canada excluding (i) the entire amount of accounts, any portion of which is outstanding more than 90 days after billing date, provided that the under 90 day portion may be included where the over 90 day portion is less than 10% of the amount of accounts, or where the Bank has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Bank's security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Limit calculation, or (vii) any accounts which the Bank has previously advised to be ineligible;

"Good EDC Accounts Receivable" means EDC Accounts Receivable, excluding (i) the entire amount of accounts, any portion of which is outstanding more than 90 days after billing date, provided that the under 90 day portion may be included where the over 90 day portion is less than 10% of the amount of accounts, or where the Bank has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Bank's security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, or (vi) any accounts which the Bank has previously advised to be ineligible;

"Guarantor" means any Person who has guaranteed the obligations of the Borrower under this Agreement;

"Lease" means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

"Letter of Credit" or "LC" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of paying suppliers of goods;

"Letter of Guarantee" or "LG" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party;

"Maturity Date" means the date on which a facility is due and payable in full;

"Permitted Encumbrances" means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

"Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof including Canada Revenue Agency, and any other incorporated or unincorporated entity;

"Postponed Debt" means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

"Potential Prior-Ranking Claims" means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

"RBP" and "Royal Bank Prime" each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

"RBR" and "Royal Bank US Base Rate" each means the annual rate of interest announced by the Bank from time to time as a reference rate then in effect for determining interest rates on commercial loans made in US currency in Canada;

"Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

"Tangible Net Worth" means the total of Equity less intangibles, deferred charges, leasehold improvements, deferred tax credits and unsecured advances to related parties. For the purpose hereof, intangibles are assets lacking physical substance;

"Total Liabilities" means all liabilities, exclusive of deferred tax liabilities and Postponed Debt;

"Unencumbered Inventory" means inventory of the Borrower which is not subject to any security interest or other encumbrance or any other right or claim which ranks or is capable of ranking in priority to the Bank's security including, without limitation, rights of unpaid suppliers to repossess inventory within 30 days after delivery and rights of unpaid farmers, fishermen and aquaculturalists in respect of any unpaid amounts for products sold and delivered within the previous 15 days, under the *Bankruptcy and Insolvency Act, Canada*;

"US" means United States of America.

Schedule "B"

CALCULATION AND PAYMENT OF INTEREST AND FEES

LIMIT ON INTEREST

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum or, in the case of an amount in US currency if applicable, RBUSBR plus 5% per annum. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

RBP LOANS AND RBUSBR LOANS

The Borrower shall pay interest on each RBP Loan and RBUSBR Loan, monthly in arrears, on the 26th day of each month or such other day as may be agreed to between the Borrower and the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Borrowing.

LETTER OF CREDIT FEES

The Borrower shall pay a LC fee on the date of issuance of any LC calculated on the face amount of the LC issued, based upon the number of days in the term and a year of 365 days. If applicable, fees for LCs issued in US currency shall be paid in US currency and fees for LCs issued in any other approved currency shall be paid in Canadian currency.

LETTER OF GUARANTEE FEES

The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable. If applicable, fees for LGs issued in US currency shall be paid in US currency and fees for LGs issued in any other approved currency shall be paid in Canadian currency.

FRT LOANS

The Borrower shall pay interest on each loan in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.

Schedule "D"

ADDITIONAL BORROWING CONDITIONS

LCs or LGs:

Borrowings made by way of LCs or LGs will be subject to the following terms and conditions:

- a) each LC and LG shall expire on a Business Day and shall have a term of not more than 365 days;
- b) at least 2 Business Days prior to the issue of an LC or LG, the Borrower shall execute a duly authorized application with respect to such LC or LG and each LC and LG shall be governed by the terms and conditions of the relevant application for such contract;
- c) an LC or LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LC or LG has been obtained;
- d) any LC or LG issued under a term facility must have an expiry date on or before the Maturity Date of the term facility, unless otherwise agreed by the Bank; and
- e) if there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LC or LG, the terms of the application for LC or LG shall govern.

FRT Loans:

Borrowings made by way of FRT Loans will be subject to the following terms and conditions:

- a) each FRT Loan shall have a minimum term of one year;
- b) the Borrower shall select an amount eligible for prepayment of 10% or 0% for each new FRT Loan prior to the advance of such FRT Loan;
- c) each FRT Loan shall be in an amount not less than \$10,000.00; and
- d) each FRT Loan shall have a term as outlined in the applicable repayment section of each corresponding credit facility, provided that the maturity date of any FRT Loan issued under any term facility shall not extend beyond the Maturity Date of the term facility.

Schedule "E"

REVOLVING FACILITY AVAILABLE BY WAY OF A SERIES OF TERM LOANS

BORROWING REQUEST

The Borrower hereby requests the following be established under Facility #3:

| | |
|---|---|
| Date of Borrowing | June 13, 2014 |
| Purpose of Borrowing | Equipment Financing |
| Amount of Borrowing: | \$ 150 000.00 |
| Selected Amortization (in months): | 60 |
| Payment Amount: | \$ 2721.28 |
| Borrowing Option: | Term Loan |
| Payment Frequency: | weekly bi-weekly semi-monthly <u>monthly</u> quarterly semi-annual annual |
| Interest Rate: | 3.39% |
| Payment Type: | <u>Blended Principal</u> and Interest Principal Plus Interest If variable interest rate selected with blended payments, the payment amount is subject to annual adjustment to ensure amortization |
| First Payment Due Date: | July 15, 2014 |
| Maturity Date (date Borrowing repayable in full): | June 13, 2019 |
| Amount Eligible for Prepayment of FRT Loan: | 0% |

Dated this 13 day of June, 2014.

CANTECH GLOBAL DISTRIBUTION INC.

Per: [Signature]
Name: JEFF FELSKE - PRESIDENT
Title:

Per: [Signature]
Name:
Title: C.E.O.

I/We have the authority to bind the Borrower

Schedule "G"

BORROWING LIMIT CERTIFICATE

I, _____, representing the Borrower hereby certify as of fiscal quarter ending _____

1. I am familiar with and have examined the provisions of the Agreement dated May 6, 2014 and any amendments thereto, between Cantech Global Distribution Inc., as Borrower, and Royal Bank of Canada, as the Bank and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower. Terms defined in the Agreement have the same meanings where used in this certificate.

2. The Borrowing Limit is \$ _____, calculated as follows:

| | | | |
|--|---|----------|------------|
| Total accounts receivable owing by Persons located in Canada | | \$ _____ | \$ _____ |
| Less: | a) Accounts, any portion of which exceeds 90 days | \$ _____ | |
| | b) Accounts due from affiliates | \$ _____ | |
| | c) "Under 90 days" accounts where collection is suspect | \$ _____ | |
| | d) Accounts subject to prior encumbrances | \$ _____ | |
| | e) Holdbacks, contra-accounts or rights of set-off | \$ _____ | |
| | f) Accounts included elsewhere in the Borrowing Limit calculation | \$ _____ | |
| | g) Other ineligible accounts | \$ _____ | |
| Plus: | h) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amount of accounts, or which the Bank has designated as nevertheless good | \$ _____ | |
| Good Accounts Receivable | | | A \$ _____ |
| Marginable Good Accounts Receivable at 75% of A | | | B \$ _____ |
| Total EDC Accounts Receivable | | | \$ _____ |
| Less: | a) Accounts, any portion of which exceeds 90 days | \$ _____ | |
| | b) Accounts due from affiliates | \$ _____ | |
| | c) "Under 90 days" accounts where collection is suspect | \$ _____ | |
| | d) Accounts subject to prior encumbrances | \$ _____ | |
| | e) Holdbacks, contra-accounts or rights of set-off | \$ _____ | |
| | f) Other ineligible accounts | \$ _____ | |
| Plus: | g) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amount of accounts, which the Bank has designated as nevertheless good | \$ _____ | |
| Good EDC Accounts Receivable | | | C \$ _____ |
| Marginable Good EDC Accounts Receivable at 90% of C | | | D \$ _____ |
| Total inventory (valued at lesser of cost or net realizable value) | | | \$ _____ |
| Less: | a) Inventory subject to prior encumbrances | \$ _____ | |
| | b) Inventory subject to 30 day supplier payables | \$ _____ | |
| | c) Other non-qualifying inventory | \$ _____ | |
| Unencumbered Inventory | | | E \$ _____ |

Marginable Unencumbered Inventory at 50% of E (Max \$200,000.00)

F \$ _____

Less: Potential Prior-Ranking Claims while not limited to these include:

- Sales tax, Excise & GST \$ _____
- Employee source deductions such as E.I., CPP, Income Tax \$ _____
- Workers Compensation Board \$ _____
- Wages, Commissions, Vacation Pay \$ _____
- Unpaid Pension Plan Contributions \$ _____
- Overdue Rent, Property & Business Tax and potential claims from third parties such as subcontractors \$ _____
- Other \$ _____

Total Potential Prior-Ranking Claims

G \$ _____

Borrowing Limit (B+D+F-G)

Less: Facility #1 Borrowings

Margin Surplus (Deficit)

3. Annexed hereto are the following reports in respect of the Borrower:

- a) aged list of accounts receivable,
- b) aged list of accounts payable,
- c) aged list of EDC Accounts Receivable indicating country of origin for each receivable and most recent credit approval listing from EDC supported by Direction to Pay,
- d) status of inventory, and
- e) listing of Potential Prior-Ranking Claims.

4. The reports and information provided herewith are accurate and complete in all respects and all amounts certified as Potential Prior-Ranking Claims are current amounts owing and not in arrears.

Dated this _____ day of _____, 20_____.

Per: _____

Name: _____

Title: _____

Schedule "H"

COMPLIANCE CERTIFICATE

I, _____, representing the Borrower hereby certify as of fiscal year ending _____

1. I am familiar with and have examined the provisions of the Agreement dated May 6, 2014 and any amendments thereto, between Cantech Global Distribution Inc., as Borrower, and Royal Bank of Canada as the Bank, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and any Guarantor if applicable. Terms defined in the Agreement have the same meanings where used in this certificate.
2. The representations and warranties contained in the Agreement are true and correct.
3. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute an Event of Default and there is no reason to believe that during the next fiscal year of the Borrower, any such event or circumstance will occur.
4. The ratio of Total Liabilities to Tangible Net Worth is _____:1, being not greater than the maximum permitted ratio of 3.0:1.
5. The detailed calculations of the foregoing ratios and covenants is set forth in the addendum annexed hereto and are true and correct in all respects.

Dated this _____ day of _____, 20____.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

Schedule "J"

RBC COVARIETY DASHBOARD TERMS AND CONDITIONS

If the Borrower elects to fulfill the reporting requirements relating to the submission of financial information set out in this Agreement by accessing a secure web based portal ("RBC Covariety Dashboard") via the Internet and using RBC Covariety Dashboard to electronically upload the Borrower's financial information and to complete online and electronically submit certificates, reports and/or forms (the "Service"), then the following terms and conditions (the "RBC Covariety Dashboard Terms and Conditions") apply and are deemed to be included in, and form part of, the Agreement.

1. Definitions. For the purpose of the RBC Covariety Dashboard Terms and Conditions:

"Disabling Code" means any clock, timer, counter, computer virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software.

"Designated User" an individual permitted to act on behalf of and bind the Borrower in all respects, and specifically in the submission of Electronically Uploaded Financial Information and/or Electronically Submitted Certificates.

"Electronic Channel" means any telecommunication or electronic transmission method which may be used in connection with the Service, including computer, Internet, telephone, e-mail or facsimile.

"Electronic Communication" means any information, disclosure, request or other communication or agreement sent, received or accepted using an Electronic Channel.

"Electronically Submitted Certificates" means certificates, reports and/or forms completed online and electronically submitted by any Designated User accessing the Service.

"Electronically Uploaded Financial Information" means financial data, reports and/or information of the Borrower electronically uploaded by any Designated User accessing the Service.

"Internet" means a decentralized global communications medium and the world-wide network of computer networks, accessible to the public, that are connected to each other using specific protocols, which provides for file transfer, electronic mail, remote log in, news, database access, and other services.

"Password" means a combination of numbers and/or letters selected by a Designated User that is used to identify the Designated User. The Password is used in conjunction with a User ID to access the Service.

"Security Breach" means any breach in the security of the Service, or any actual or threatened use of the Service, a Security Device, or Electronic Channel in a manner contrary to the Agreement, including, without limitation, the introduction of Disabling Code or a Virus to the Service.

"Security Device" means a combination of a User ID and Password.

"Software" means any computer program or programming (in any code format, including source code), as modified from time to time, and related documentation.

"User ID" means the combination of numbers and/or letters selected by the Borrower used to identify a particular Designated User. The User ID is used in conjunction with a Password to access the Service.

"Virus" means an element which is designed to corrupt data or enable access to or adversely impact upon the performance of computer systems, including any virus, worm, logic bomb and Trojan horse.

Terms defined in the Agreement have the same meanings where used in the RBC Covarity Dashboard Terms and Conditions.

2. Access to the Service. The Borrower will appoint one or more Designated User(s) to access the Service on behalf of the Borrower. The Borrower acknowledges and agrees that each Designated User appointed by the Borrower may electronically upload the Borrower's financial information and may view all previously uploaded financial information and all calculations in the RBC Covarity Dashboard.

At the time of registration for the Service, the Borrower will advise the Bank of the name and e-mail address of each Designated User. The Borrower will immediately advise the Bank if a Designated User changes or is no longer valid.

The Bank will provide the Borrower with a User ID and temporary password for each Designated User. Each Designated User will receive the User ID and temporary password delivered to their e-mail address. Each Designated User will change the temporary password to a unique Password which may not be easily guessed or obtained by others. If it is suspected or known that the Password has been compromised in any way, the Password must be changed immediately.

On first access to the Service, each Designated User will be required to read and agree to terms of use which will thereafter be accessible from a link located on each web page of the Service.

3. Security Devices. The Borrower recognizes that possession of a Security Device by any person may result in that person having access to the Service. The Borrower agrees that the use of a Security Device in connection with the Service, including any information sent, received or accepted using the Service, will be deemed to be conclusive proof that such information is accurate and complete, and the submission of which is authorized by, and enforceable against, the Borrower.

The Borrower is responsible for maintaining the security and confidentiality of Security Devices which may be used in connection with the Service. The Borrower is responsible for ensuring that a Security Device will only be provided to and used by a Designated User. The Borrower agrees to be bound by any actions or omissions resulting from the use of any Security Device in connection with the Service.

4. Security. Each party shall at all times have in place appropriate policies and procedures to protect the security and confidentiality of the Service, Electronic Channels and Electronic Communication and to prevent any unauthorized access to and use of the Service and Electronic Channels. The Borrower agrees to comply with any additional procedures, standards or other security requirements that the Bank may require in order to access the Service.

The Borrower will not (i) access or use the Service for an illegal, fraudulent, malicious or defamatory purpose, or (ii) take steps or actions that could or do undermine the security, integrity, effectiveness, goodwill or connectivity of the Service (including illegal, fraudulent, malicious, defamatory or other activities that threaten to harm or cause harm to any other person).

The Borrower agrees not to transmit via the Service any viruses, worms, defects, Trojan horses or any items of a destructive nature. The Borrower shall maintain the security of their computer by using anti-virus scanning, a firewall and installing the latest security patches to provide assurance that no Virus is introduced into the systems or Software while accessing the Service.

5. Unsecure Electronic Channels. The Borrower acknowledges and agrees that if it uses, or if it authorizes and directs the Bank to use, any unencrypted Electronic Channel, including unencrypted e-mail or facsimile, any Electronic Communication sent, received and/or accepted using such Electronic Channel is not secure, reliable, private or confidential. Any such Electronic

Communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Borrower assumes full responsibility for the risks associated with such Electronic Communication.

6. Notice of Security Breach. The Borrower shall notify the Bank by notifying the RBC Account Manager in writing immediately of any Security Breach including: (i) any application vulnerability or if a Virus is contained in or affects transmission of information to the Service; or (ii) if the Borrower knows or reasonably ought to know that an unauthorized person may have access to the Service, Security Device or Electronic Channel.

If a Security Breach occurs the Borrower shall: (i) assist the Bank in the management of any consequences arising from it; (ii) take any reasonable steps necessary for it to take to mitigate any harm resulting from it; and (iii) take appropriate steps to prevent its recurrence.

7. Binding Effect. Any Electronic Communication that the Bank receives from or in the name of, or purporting to be from or in the name of, the Borrower or any other person on the Borrower's behalf in connection with the Service, will be considered to be duly authorized by, and enforceable against, the Borrower. The Bank will be authorized to rely and act on any such Electronic Communication, even if the Electronic Communication was not actually from the Borrower or such other person or differs in any way from any previous Electronic Communication sent to the Bank. Any Electronically Uploaded Financial Information will be considered to be financial information submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Uploaded Financial Information accordingly. Any Electronically Submitted Certificates will be considered to be certificates, reports and/or forms completed and submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects; and the Bank will be authorized to rely and act on any such Electronically Submitted Certificates accordingly.

8. Representations and Warranties. The Borrower represents and warrants to the Bank that each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted: (i) all financial statements, certificates, forms, reports and all information contained therein will be accurate and complete in all respects; (ii) all amounts certified as Potential Prior-Ranking Claims will be current amounts owing and not in arrears; (iii) all representations and warranties contained in the Agreement will be true and correct; and (iv) no event will have occurred which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or breach of any covenant or other term or condition of the Agreement. The Borrower will be deemed to repeat these representations and warranties each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted.

9. Evidence. Electronic records and other information obtained by the Bank in an Electronic Communication will be admissible in any legal, administrative or other proceedings as conclusive evidence of the contents of those communications in the same manner as an original paper document, and the Borrower waives any right to object to the introduction of any such record or other information into evidence on that basis.

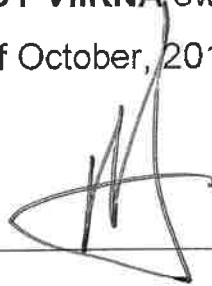
10. Limitation of Liability. The Bank is not responsible or liable for any damages arising from: (i) inaccurate, incomplete, false, misleading, or fraudulent information provided to the Bank; (ii) losses incurred as a result of an actual or potential Security Breach; or (iii) losses incurred as a result of application vulnerability or Virus that is contained in or affects any Software or systems used by or on behalf of the Borrower in connection with the Service.

Although every effort is made to provide secure transmission of information, timely communication and confidentiality cannot be guaranteed. In no event shall the Bank be liable for any loss or harm resulting from the use of the Service, or from a breach of confidentiality in respect of use of the Service.

11. Termination. The ability of the Borrower to fulfill the reporting requirements relating to the submission of financial information set out in the Agreement using RBC Covarity Dashboard shall terminate upon revocation of access to the Service. In addition, the Bank may suspend or terminate access to or discontinue the Service immediately for any reason at any time without prior notice. The Bank will not be responsible for any loss or inconvenience that may result from such suspension or termination. The Borrower, upon giving notice to the Bank by notifying the RBC Account Manager in writing, may terminate use of the Service at any time.

12. Amendment. The Bank may amend these RBC Covarity Dashboard Terms and Conditions upon 30 days notice (which may be given electronically by way of e-mail or in writing) to the Borrower. The Borrower agrees that the continued use of the Service after the effective date of a change will constitute conclusive evidence of consent to all such amendments and the Borrower shall be bound by the amendments.

This is Exhibit "B" referred to in the affidavit of
SANDY VIKNA, sworn before me, this 6th
day of October, 2017.



A COMMISSIONER FOR TAKING AFFIDAVITS

Peter John Gordon, a Commissioner, etc.,
City of Toronto, for the Royal Bank of Canada.
Expires June 10, 2020.

Request ID: 020649595
 Transaction ID: 65477733
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2017/08/29
 Time Report Produced: 09:24:28
 Page: 1

CORPORATION PROFILE REPORT

| | | |
|----------------------------------|----------------------------------|----------------------------------|
| Ontario Corp Number | Corporation Name | Incorporation Date |
| 2354373 | CANTECH GLOBAL DISTRIBUTION INC. | 2012/12/18 |
| | | Jurisdiction |
| | | ONTARIO |
| Corporation Type | Corporation Status | Former Jurisdiction |
| ONTARIO BUSINESS CORP. | ACTIVE | NOT APPLICABLE |
| Registered Office Address | | Date Amalgamated |
| 830 HARRINGTON COURT | | NOT APPLICABLE |
| Suite # 2 | | Amalgamation Ind. |
| BURLINGTON | | NOT APPLICABLE |
| ONTARIO | | New Amal. Number |
| CANADA L7N 3N4 | | NOT APPLICABLE |
| Mailing Address | | Notice Date |
| 830 HARRINGTON COURT | | NOT APPLICABLE |
| Suite # 2 | | Letter Date |
| BURLINGTON | | NOT APPLICABLE |
| ONTARIO | | Revival Date |
| CANADA L7N 3N4 | | NOT APPLICABLE |
| | | Continuation Date |
| | | NOT APPLICABLE |
| | | Transferred Out Date |
| | | NOT APPLICABLE |
| | | Cancel/Inactive Date |
| | | NOT APPLICABLE |
| | | EP Licence Eff.Date |
| | | NOT APPLICABLE |
| | | EP Licence Term.Date |
| | | NOT APPLICABLE |
| | Number of Directors | Date Commenced in Ontario |
| | Minimum Maximum | NOT APPLICABLE |
| | 00001 00007 | NOT APPLICABLE |
| Activity Classification | | Date Ceased in Ontario |
| NOT AVAILABLE | | NOT APPLICABLE |

Request ID: 020649595
Transaction ID: 65477733
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/29
Time Report Produced: 09:24:28
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CORPORATION PROFILE REPORT

Ontario Corp Number

2354373

Corporation Name

CANTECH GLOBAL DISTRIBUTION INC.

Corporate Name History

CANTECH GLOBAL DISTRIBUTION INC.

Effective Date

2012/12/18

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:
Name (Individual / Corporation)

JEFF
FELSKE

Address

13701 4TH LINE
ROCKWOOD
ONTARIO
CANADA N0B 2K0

Date Began

2012/12/18

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 020649595
Transaction ID: 65477733
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/29
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2354373

CANTECH GLOBAL DISTRIBUTION INC.

Administrator:
Name (Individual / Corporation)

Address

JEFF
FELSKE

13701 4TH LINE

ROCKWOOD
ONTARIO
CANADA N0B 2K0

Date Began

First Director

2015/07/01

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

Administrator:
Name (Individual / Corporation)

Address

JEFF
FELSKE

13701 4TH LINE

ROCKWOOD
ONTARIO
CANADA N0B 2K0

Date Began

First Director

2015/07/01

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

CHIEF EXECUTIVE OFFICER Y

Request ID: 020649595
Transaction ID: 65477733
Category ID: UN/E

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2354373

CANTECH GLOBAL DISTRIBUTION INC.

Administrator:
Name (Individual / Corporation)

Address

DAVID
HOWE

340 SHOREVIEW ROAD

BURLINGTON
ONTARIO
CANADA L7T 2N5

Date Began

First Director

2015/07/01

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Administrator:
Name (Individual / Corporation)

Address

DAVID
HOWE

340 SHOREVIEW ROAD

BURLINGTON
ONTARIO
CANADA L7T 2N5

Date Began

First Director

2015/07/01

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

CHIEF OPERATING OFFICER Y

Request ID: 020649595
Transaction ID: 65477733
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/08/29
Time Report Produced: 09:24:28
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CORPORATION PROFILE REPORT

Ontario Corp Number

2354373

Corporation Name

CANTECH GLOBAL DISTRIBUTION INC.

Last Document Recorded

Act/Code Description

Form

Date

CIA CHANGE NOTICE

1

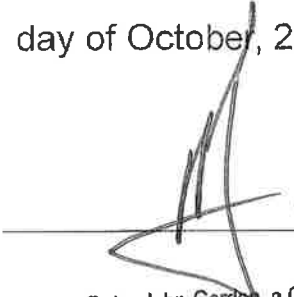
2017/05/10

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "C" referred to in the affidavit of
SANDY VIKNA sworn before me, this 6th
day of October, 2017.



A COMMISSIONER FOR TAKING AFFIDAVITS

Peter John Gordon, a Commissioner, etc.,
City of Toronto, for the Royal Bank of Canada.
Expires June 10, 2020.

GENERAL SECURITY AGREEMENT

E-FORM 924 (03/2008)

1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to ROYAL BANK OF CANADA ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all inventory of whatever kind and wherever situate;
- (ii) all equipment (other than inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all lists, records and files relating to Debtor's customers, clients and patients;
- (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims;
- (vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;

(b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;

(c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;

(d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situated at one of such locations; and

(e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral,
- (iv) any loss or damage to Collateral,
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;

(i) to deliver to RBC from time to time promptly upon request:

- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business,
- (iv) all policies and certificates of insurance relating to Collateral, and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

(a) Whether or not default has occurred, Debtor authorizes RBC:

- (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

(b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided.

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;
- (c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;
- (d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
- (e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;
- (f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;

h) If any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

(a) Upon default, RBC may appoint or reappoint by Instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a 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 stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, 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 Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situated, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

(b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC 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, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A..

(h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomsoever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

(a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situated) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to,

perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor 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 "Debtor" 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 the "indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.
 (b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces except Ontario).

16. Debtor represents and warrants that the following information is accurate:

INDIVIDUAL DEBTOR

| | | | | |
|--|------------|-------------|------------------------------|--|
| SURNAME (LAST NAME) | FIRST NAME | SECOND NAME | BIRTH DATE YEAR MONTH DAY | |
| ADDRESS OF INDIVIDUAL DEBTOR | CITY | PROVINCE | POSTAL CODE | |
| SURNAME (LAST NAME) | FIRST NAME | SECOND NAME | BIRTH DATE YEAR MONTH DAY | |
| ADDRESS OF INDIVIDUAL DEBTOR (IF DIFFERENT FROM ABOVE) | CITY | PROVINCE | POSTAL CODE | |

BUSINESS DEBTOR

| | | | |
|---|--------------------|----------------|------------------------|
| NAME OF BUSINESS DEBTOR CANTECH GLOBAL DISTRIBUTION INC. | | | |
| ADDRESS OF BUSINESS DEBTOR 830 HARRINGTON COURT SUITE 3 | CITY BURLINGTON | PROVINCE ON | POSTAL CODE L7N 3N4 |

TRADE NAME (IF APPLICABLE)

| | | | |
|---|------|----------|-------------|
| TRADE NAME OF DEBTOR | | | |
| PRINCIPAL ADDRESS (IF DIFFERENT FROM ABOVE) | CITY | PROVINCE | POSTAL CODE |

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 9th day of September, 2013

CANTECH GLOBAL DISTRIBUTION INC.

Linda Hardace
WITNESS

[Signature]



Linda Hardace
WITNESS

[Signature]



BRANCH ADDRESS

| |
|--|
| HALTON COMMERCIAL 3405 HARVESTER RD SUITE 201 BURLINGTON ON L7N 3N1 |
|--|

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

SCHEDULE "B"

1. Locations of Debtor's Business Operations

SUITE 3
830 HARRINGTON COURT
BURLINGTON
ON L7N 3N4

2. Locations of Records relating to Collateral (if different from 1. above)

SAME AS ABOVE

3. Locations of Collateral (if different from 1. above)

SAME AS ABOVE

SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

This is Exhibit "D" referred to in the affidavit of
SANDY VIKNA sworn before me, this 6th
day of October, 2017.



A COMMISSIONER FOR TAKING AFFIDAVITS

Peter John Gordon, a Commissioner, etc.,
City of Toronto, for the Royal Bank of Canada.
Expires June 10, 2020.



DEVRY SMITH FRANK LLP
Lawyers & Mediators

James.satin@devrylaw.ca
416.446.5820

April 1, 2016

VIA REGISTERED AND REGULAR MAIL

Cantech Global Distribution Inc.
830 Harrington Court, Suite #2
Burlington, Ontario
L7N 3N4

Dear Sirs:

Re: Royal Bank of Canada loans to Cantech Global Distribution Inc., et. al.

We act as solicitors for Royal Bank of Canada, 20 King Street West, 9th Floor, Toronto, Ontario (the "Bank"). According to our records, you are indebted to the Bank as of March 31, 2016 in the principal amount of \$574,697.00 with accrued interest thereon in the amount of \$231.45 with respect to a Royal Credit Line, the principal amount of \$93,427.14 with accrued interest thereon in the amount of \$377.39 with respect to Demand Loan #1, the principal amount of \$100,237.87 with accrued interest in the amount of \$148.95 with respect to Demand Loan #2, the principal amount of \$70,014.56 with accrued interest in the amount of \$11.58 with respect to Demand Loan #3, the principal amount of \$14,379.96 with accrued interest in the amount \$1.90 with respect to Demand Loan #4, the amount of \$3,032.10 with respect to Corporate Visa #1 and the amount of \$85.31 with respect to with respect to Corporate Visa #2, the particulars of which are as follows:

| <u>Description</u> | <u>Principal Amount</u> | <u>Interest</u> |
|--|-------------------------|-----------------|
| Royal Credit Line (Bank prime plus 2.20% per annum) | \$574,697.00 | \$231.45 |
| Demand Loan #1 (Blended rate of 3.88% per annum) | \$93,427.14 | \$377.39 |
| Demand Loan #2 (Fixed rate of 3.39% per annum) | \$100,237.87 | \$148.95 |
| Demand Loan #3 (Blended rate of 3.34% per annum) | \$70,014.56 | \$11.58 |

| | | |
|---|-------------|--------|
| Demand Loan #4 (Blended fixed rate of 4.82% per annum) | \$14,379.96 | \$1.90 |
| Corporate Visa #1 (19.99% per annum) | \$3,032.10 | nil |
| Corporate Visa #2 (19.99% per annum) | \$85.31 | nil |

Interest continues to accrue on the Royal Credit Line from April 1, 2016 to the date of payment at the Bank's prime rate of interest in effect from time to time plus 2.20%, on Demand Loan #1 at a blended rate of 3.88% per annum, on Demand Loan #2 at a fixed rate of 3.39% per annum, on Demand Loan #3 at a blended rate of 3.34% per annum, on Demand Loan #4 at a blended fixed rate of 4.82% per annum and on Corporate Visas #1 and #2 from April 1, 2016 to the date of payment at the rate of 19.99% per annum. The prime rate is currently 2.70% per annum.

Your indebtedness to the Bank is secured, *inter alia*, by a General Security Agreement dated September 9, 2013.

We hereby demand payment of your indebtedness to our client. Unless payment of the total sum owing as aforesaid together with additional interest accrued and legal costs actually incurred to the date of payment or other satisfactory arrangements therefor are made within 10 days from the date thereof, the Bank shall take such steps as it deems necessary or desirable to recover payment of your indebtedness in full without further demand upon or notice to you. Such proceedings may include enforcement of the Bank's security.

Enclosed please find our client's Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*, as well as notice being provided to you pursuant to Section 63(4) of the *Personal Property Security Act*, R.S.O. 1990, as amended.

Govern yourself accordingly.

Yours very truly,

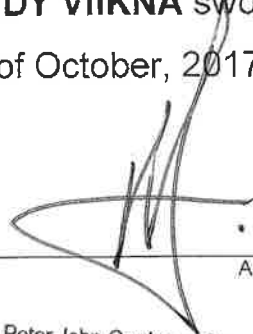
DEVRY SMITH FRANK LLP



James Satin

JS:lm
Encl.

This is Exhibit "E" referred to in the affidavit of
SANDY VIKNA sworn before me, this 6th
day of October, 2017.



A COMMISSIONER FOR TAKING AFFIDAVITS

Peter John Gordon, a Commissioner, etc.,
City of Toronto, for the Royal Bank of Canada.
Expires June 10, 2020.

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

CANTECH GLOBAL DISTRIBUTION INC.

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF
THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

CONSENT

The undersigned, msi Spergel inc. ("MSI"), hereby consents to the appointment of MSI as receiver and manager, without security, of all of the assets, undertakings and properties of Cantech Global Distribution Inc. (the "**Debtor**") pursuant to the provisions of subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and the terms of an order substantially in the form filed in the above proceeding.

DATED THIS 5th DAY OF OCTOBER 2017

MSI SPERGEL INC.

Per:



Name: Philip H. Gennis J.D., CIRP, LIT

Title: Senior Principal

ROYAL BANK OF CANADA
Applicant

CANTECH GLOBAL DISTRIBUTION INC.
Respondent

Court File No. CV-17-584372-00 CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

IN THE MATTER OF AN APPLICATION UNDER
SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED,
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O
1990, c.C43, AS AMENDED

Proceeding commenced at
TORONTO

AFFIDAVIT OF SANDY VIKNA

DEVRY SMITH FRANK LLP
Lawyers & Mediators
95 Barber Greene Road, Suite 100
Toronto, Ontario M3C 3E9

JAMES SATIN
LSUC #: 44025R

Tel : (416) 449-1400
Fax: (416) 449-7071

Lawyers for the Applicant

ROYAL BANK OF CANADA
Applicant

CANTECH GLOBAL DISTRIBUTION INC.
Respondent

Court File No. CV-17-584372-00 CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
IN THE MATTER OF AN APPLICATION UNDER
SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED,
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O
1990, c.C43, AS AMENDED

Proceeding commenced at
TORONTO

APPLICATION RECORD

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Toronto, Ontario M3C 3E9

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LSUC #: 44025R

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Lawyers for the Applicant